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No. 04-

IN THE

Supreme Court of the United States

SAVIN ENGINEERS, P.C., JMOA ENGINEERING, P.C., and SAVIN CONSULTANTS, INC.,

Petitioners,

v.

SAVIN CORPORATION,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

The Petitioner (a professional engineering firm) and the Respondent (a copier company) use trademarks that incorporate the same word ("Savin"), but depict them in visibly different fashion and use them in different industries, with Petitioner using its mark in an industry which Respondent may not lawfully enter (licensed professional engineering). The District Court dismissed Respondent's dilution claim under the Federal Trademark Dilution Act, 15 U.S.C. § 1125(c) ("FTDA"), on the ground that use of the word "Savin" in connection with engineering services did not dilute Respondent's mark, for lack of proof of actual dilution. The Court of Appeals reversed, holding that whether marks are "identical" for FTDA purposes is "context and media specific" and that the existence of advertising by Respondent of its family name "Savin" as a mark comprised *prima facie* proof that its mark was "famous." The Court of Appeals held that, because Internet browser technology requires that words be typed in plain text, and because a word mark sounds the same when spoken irrespective of its visible depiction as a mark, the existence of such "context and media specific" "identical" aspects of marks can, under *Moseley v. V Secret Catalog*, 537 U.S. 418 (2003), substitute for proof of the statutory requirement of actual dilution. Both courts held that Respondent failed to prove trademark infringement. The questions presented for review are:

Whether, for purposes of trademark dilution under *Moseley*, the issue of identical-ness is "context and media specific" such that "identity" in any media context substitutes for proof of actual dilution under the FTDA?

Whether Internet browser's technology renders visibly dissimilar trademarks "identical" for purposes of trademark dilution under *Moseley*, and speech patterns render visibly dissimilar trademarks "identical," if the dissimilarity becomes less evident when typed in plain text as an Internet domain name or because word-based marks sound the same when spoken?

Whether, pursuant to *Moseley v. V Secret Catalog*, a claimant proves actual dilution under the FTDA merely by showing the commercial use of an "identical" junior mark?

What makes a mark "famous" for trademark dilution purposes; specifically, does proof of allegedly substantial advertising of the mark (here, "Savin" for copiers) at the time of alleged dilution suffice to establish *prima facie* the mark to have been "famous" at the time the alleged diluter first used it and thus making that word unusable in a mark in an unrelated industry, into which the complaining mark owner may not lawfully enter, even though the mark is not a household word, nor even fanciful, but is both a family name and a word used by many others in many contexts?

CORPORATE DISCLOSURE STATEMENT

Petitioners Savin Engineers, P.C., JMOA Engineering, P.C. and Savin Consultants, Inc. certify that petitioners have no parent corporation and that no publicly held corporation owns 10% or more of the stock of any of them.

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Petitioners, Savin Engineers, P.C., JMOA Engineering, P.C. and Savin Consultants, Inc. (collectively referred to as "Savin Engineers") respectfully petition for a writ of certiorari to review the judgment of the United States Court of Appeals for the Second Circuit in this case.

OPINIONS BELOW

The District Court's opinion (per Scheindlin, D.J.) denying respondent's motion and granting petitioner's motion for summary judgment (Appendix B) is published at 68 U.S.P.Q.2d 1893. The Second Circuit's opinion (per Miner, J.J., joined by Meskill, JJ. and Katzmann, JJ.) reversing the judgment (Appendix A) is published at 391 F.3d 439. The Second Circuit's order denying rehearing *en banc* (Appendix C) is not published.

STATEMENT OF JURISDICTION

The Second Circuit entered its opinion and order on December 10, 2004, and denied rehearing *en banc* on February 28, 2005. This petition has jurisdiction under 28 U.S.C. § 1254(1).

STATUTORY PROVISION INVOLVED

The provision of the Federal Trademark Dilution Act, 15 U.S.C. § 1125(c), relevant to this Petition states that:

> The owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the

> distinctive quality of the mark, and to obtain such other relief as is provided in this subsection.

15 U.S.C. § 1125(c)(1) (2005).

STATEMENT OF THE CASE

Respondent Savin Corporation ("Savin Copiers") (a seller of photocopy machines and related office equipment) brought this action because petitioner Savin Engineers (a New York Professional Engineering corporation) refused to forfeit the good will that it has established over the preceding 16 years in the professional engineering field using its name "Savin Engineers." Savin Engineers has provided its clients with professional engineering and consulting services under that name since 1988.

About sixteen years after Savin Engineers began using the name "Savin" in commerce, Savin Copiers demanded that Savin Engineers wholly cease using the name "Savin" in connection with its business and that it irrevocably transfer to Savin Copiers all rights to the Internet domain names *savinengineers.com* and *thesavingroup.com.*

Savin Engineers, a New York State Professional Engineering corporation, is in the business of designing, building, testing and maintaining roads, bridges, buildings and wastewater facilities. Savin Engineers provides professional engineering and consulting services to large, sophisticated entities such as municipalities, education systems, school districts, transportation authorities, and environmental management companies.

Savin Engineers has never sold its customers office products such as photocopiers and/or other office equipment or offered such services as software design, network connectivity, or back

office "facilities management," nor does it intend to sell such products or offer such services to the consuming public.

Savin Engineers' founder and president "Dr. Nivas" – Dr. Rengachari Sri***nivas***aragahavan, a Ph. D. and New York State licensed professional engineer – named Savin Engineers. Since his days as an undergraduate, Dr. Nivas has been known by his nickname, "Nivas," which is contained within his full name, Sri***nivas***aragahavan. When Dr. Nivas, in approximately 1987, selected a name for his then new professional engineering business, he decided to use his nickname spelled backwards, "Savin."

Max Lowe, when he founded Savin Copiers in 1959, gave the company the family surname "Savin," after his brother-in-law, Robert Savin. Since then, Savin Copiers has marketed and sold business machines such as photocopiers, facsimile machines, printers and electronic data storage devices to the consuming public. Savin Copiers also offers support services for its office goods.

Savin Copiers holds federally-registered trademarks in connection with the following goods and services:

- *photocopy machines* and parts thereof (Reg. No. 1,174,900);
- developing liquid for office copiers and *photocopy machines* and copy paper for photocopy machines (Reg. No. 836,540);
- maintenance of repair services for *photocopiers* and word processors (Reg. No. 1,500,782);
- *facsimile machines* (Reg. No. 2,230,303).

Savin Copiers has a *de facto* policy of policing these trademarks only against those companies that offer competing products, such as copiers, copier parts, printers, facsimile machines, and facsimile parts that can be used in Savin Copiers' machines.

As is fully explained below, for a mark to be "famous" for anti-dilution purposes, it must be a true household word, of which there are few in the world. Moreover, it must possess that status continuously from a point in time prior to the first use by the allegedly junior user of the mark up through the time of the lawsuit. The reason for this demanding requirement is obvious, as anti-dilution protection operates to extend a mark into fields of endeavor in which its owner has no presence and grants the senior user property rights in gross in the mark.

Savin Copiers maintains that its marks are famous solely on the grounds that Savin Copiers spent $22 million in advertising during 2002. As a matter of law this showing is insufficient to prove fame. Moreover, nowhere does Savin Copiers allege or offer any evidence as to when its marks acquired this alleged fame, let alone prior to 1988 as required to maintain its dilution claim.

Savin Copiers admits that it does not compete with Savin Engineers. None of the product support technicians – essentially, computer installers and repairmen – that Savin Copiers employs are licensed by any U.S. jurisdiction as professional engineers. Savin Copiers has never offered, does not presently offer, and has no intention of ever offering professional engineering services to the consuming public in any jurisdiction. Savin Copiers does not have the requisite licensure to offer such services and is not incorporated as a professional services corporation.

Savin Copiers also admits that its marks and Savin Engineers' mark are dissimilar. Louise Stix, Savin Copiers' Manager of Corporate Communications and Creative Services, testified that the parties' stylized logos are different. Stix admits that: (1) the fonts of the parties' marks are different; (2) the Savin Engineers mark incorporates a four-cube graphic, which makes the Savin Engineers mark different from Savin Copiers' marks; and (3) both marks appear in different colors. Moreover, Stix admitted that "nobody is using *the identical characters . . . the identical way* with *the identical colors*."

A visual inspection of the parties' respective marks as shown below confirms Savin Copiers' concession that the marks are dissimilar and are certainly *not* identical.

Fig. 1 (Savin Engineers' mark)

Fig. 2 (Savin Copiers' mark)

savin

As for the three Savin Copiers' marks that were registered incorporating only the word "Savin" in a typed, block-letter format, such a registration does not create rights in the registered word when combined with other words or designs. Thus, Savin Engineers, whose mark incorporates different words and designs than the marks of Savin Copiers, is without question not identical.

Beyond this, several hundred other businesses nationwide use the name "Savin" in a wide variety of industries. A search for the name in an online directory resulted in a listing of more than two hundred businesses that use the name "Savin" nationwide in

myriad contexts. Such uses of the word "Savin" include, among others: Savin Brothers, Inc. (general contractors in Newington, CT), Savin Cleaners (dry cleaners in Chesapeake, VA), Savin Dental Associates (Glencoe, IL), Savin Diamonds (New York, NY), Savin Funeral Home (Philadelphia, PA), Savin Lumber Company (Buckhannon, WV), Savin Pharmacy (New York, NY), Savin Pools (El Cajon, CA), and Savin Products Company (janitorial supplies in Randolph, MA). Geographic places also bear the name "Savin", as does a medieval saint and cities named after him.

Throughout the entire sixteen years during which Savin Engineers and Savin Copiers have coexisted, Savin Copiers cannot point to so much as a single instance of actual consumer confusion regarding the source of a product and/or service as between Savin Copiers and Savin Engineers. In addition, Savin Copiers did not and cannot offer any proof of lost sales or loss of the economic value of its mark resulting from Savin Engineers' use of the word "Savin" in connection with offering its clients professional engineering and consulting services.

Despite the foregoing, Savin Copiers insists that it has the exclusive right to use any mark that includes the name "Savin" in connection with the sale of any good or service of any kind throughout the United States and, indeed, the world. Based upon the above facts, the United States District Court for the Southern District (Scheindlin, D.J.) dismissed Savin Copiers' Complaint in its entirety. Federal jurisdiction in the district court is based upon federal question jurisdiction pursuant to 28 U.S.C. § 1331 as well as diversity of citizenship of the parties pursuant to 28 U.S.C. § 1332. On appeal, the Second Circuit affirmed the District Court's dismissal of Savin Copiers' trademark infringement claim, vacated the District Court's dismissal of Savin Copiers' FTDA claim and remanded that action for a factual examination as to whether the above marks are identical.

REASONS FOR GRANTING THE PETITION

I.

CERTIORARI SHOULD BE GRANTED TO RESOLVE THE IMPORTANT ISSUE OF WHAT CONSTITUTES AN IDENTICAL MARK WHEN VISIBLY DISSIMILAR MARKS ARE THEN USED IN INTERNET DOMAIN NAMES OR IN VERBAL CONTEXTS SUCH AS IN A RADIO ADVERTISEMENT

Notwithstanding the fact that the marks at issue are completely dissimilar (as explained below), the Second Circuit reversed and remanded this case to the District Court for a determination of whether the marks at issue are "identical" under an FTDA dilution analysis in the "context and media specific" realms of Internet domain names and if used verbally. Certiorari should be granted to resolve this issue because, if such word marks are considered identical, that will throw trademark doctrine into chaos. All word based marks based on the same word must be typed in plain text in Internet domain names and will sound the same when spoken. Legions of trademarks that are in use, and untold thousands have been registered by the U.S. Patent and Trademark Office, are based on words with more than one user using the same root word. If that makes them "identical" for FTDA dilution purposes, then the statutory requirement for dilution has no meaning. Furthermore, this would allow a claimant to prove dilution by merely saying the word marks are "identical" when typed as part of an Internet domain name or spoken. Thus, the historically accepted test of visible dissimilarity would be rendered obsolete.

Because dissimilarities of words that comprise parts of marks cannot be differentiated by speaking the root word or

when the root word is part of a domain name because of the nature of Internet browser technology, the Second Circuit's ruling will prohibit entities with a long-used name from using their own names in commerce. Such an outcome would be a travesty.

The Second Circuit interpreted this Court's ruling in *Moseley* to mean that a plaintiff who owns an allegedly famous senior mark can prove dilution by merely showing an allegedly junior user's commercial use of a mark that is "identical" when applying any "context and media specific" analysis. *Savin Corp. v. The Savin Group, et al.*, 391 F.3d 439, 452-53 (2d Cir. 2004) (Appendix A). The Second Circuit explicitly held that the issue of whether the marks are identical can be "context- and/or media-specific." *Id.* Irrespective of visibly differentiating factors such as fonts, size, color, stylized graphics and the addition of other words, the Second Circuit noted that the plain type appearance of a domain name and how a word mark is pronounced are to be considered in deciding whether marks are identical. *Id.* at 453-54. Holding that the District Court did not conduct a sufficient analysis of whether the marks are identical, it reversed and remanded the action.

The Second Circuit specifically emphasized that marks may be identical under the FTDA where the junior and senior user's domain name share the same word such as the word "Savin" in www.savinengineers.com and www.savin.com. *See id.* Because all users must use plain text to input domain names in Internet browsers and words used in marks always sound the same when spoken, dissimilarities of the actual marks cannot be differentiated in those contexts. As a matter of law, a dilution claimant should not be permitted to ignore the graphic and textual dissimilarities of the marks and instead rely on the fact that the marks of the allegedly senior and junior user share the same word in order to prove the essential element of actual dilution.

Here, petitioner's allegedly junior mark incorporates different words and symbols and is graphically dissimilar to the allegedly senior marks of Savin Copies such that it is not identical as a matter of law. Even if one were to accept the Second Circuit's erroneous interpretation of *Moseley* that the "identical" nature of marks alone constitutes *prima facie* proof of dilution, Savin Copiers' FTDA claim must be dismissed because the marks, as a matter of law, are clearly not "identical."

When assessing the dissimilarity of marks, courts look to the *overall* impression created by a trademark, including the logo, typeface, the size of the logos, and the placement of the marks next to other identifying but dissimilar symbols. *See AutoZone, Inc. v. Tandy* Corp., 373 F.3d 786, 795 (6th Cir. 2004); *General Mills, Inc. v. Kellogg Co.*, 824 F.2d 622, 627 (8th Cir. 1987). Courts have found marks to be dissimilar, even where parties use the same word to identify different goods and services, if that word appears in different typefaces and colors and is part of distinctively different logos. *See Fed. Express Corp. v. Fed. Espresso, Inc.*, 201 F.3d 168, 172, 174 (2d Cir. 2000).

Here, a visual inspection of the marks at issue reveals that they are dissimilar. As shown above, the marks' words, font, color, and overall appearance differ materially. Savin Engineers' mark incorporates graphics and other words. In contrast, Savin Copiers' mark only incorporates the word "SAVIN" with no other words. The mark appears in a single color, blue, and is presented in a different font than Savin Engineers' mark. *See* Statement of the Case, above.

In fact, Savin Copiers also admits that the marks are not identical and that the overall appearance of the marks is different, including a difference in fonts, colors, and graphics. Savin Copiers further concedes that "*nobody* is using *the identical characters . . . the identical way* with *the identical colors*." *See id.*

As for Savin Copiers' mark registrations incorporating only the word "Savin" in a typed, block-letter format, such a registration does not create rights in the registered word when combined with other words or designs. *See Fossil Inc. v. Fossil Group*, 49 U.S.P.Q.2d 1451 (T.T.A.B. 1998). Thus, Savin Engineers' mark, which incorporates different words and designs than Savin Copiers' marks, is not identical to the marks of Savin Copiers.

II.

CERTIORARI SHOULD BE GRANTED TO RESOLVE THE CONFLICTING JUDICIAL INTERPRETATIONS OF *MOSELEY* REGARDING THE EVIDENTIARY REQUIREMENTS FOR ESTABLISHING ACTUAL DILUTION UNDER THE FTDA

A split exists between the Second Circuit and the Sixth, Federal and Ninth Circuits regarding the evidentiary requirements for establishing dilution set forth in this Court's decision in *Mosely v. V Secret Catalogue, Inc.* This Court has held in *Moseley* that, in order to receive protection under the FTDA as applicable to this case, a plaintiff must prove *actual dilution* rather than a likelihood of dilution. 537 U.S. at 433.

In *Moseley*, this Court considered both the actual dilution and likelihood of dilution standards then existing for recovery under the FTDA. *Id.* at 421-22. As one of the Circuits that employed the likelihood of dilution approach to the FTDA, the Second Circuit ruled in *Nabisco, Inc. v. PF Brands, Inc.*, that likelihood of dilution must be determined through an assessment

of ten factors, *only one of which was similarity of the marks.*[1] 191 F.3d 208, 217-22 (2d Cir. 1999). Similarity of the marks was defined as "the *degree* of similarity of the junior mark to the senior." *Id.* at 218. In adopting an actual dilution standard, however, this Court found that even the ten-factor likelihood approach of *Nabisco* was wrong and would not justify recovery under the FTDA. *Moseley*, 537 U.S. at 432-33.

In *Moseley*, this Court responded to concerns that direct evidence of an actual dilution such as consumer surveys may be difficult to obtain by stating that:

> [i]t may well be, however, that direct evidence of dilution such as consumer surveys will not be necessary if actual dilution can reliably be proved through circumstantial evidence–the obvious case is one where the junior and senior marks are identical.

Id. at 434.

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1. The factors considered in a likelihood of dilution analysis were: (a) distinctiveness of the senior mark; (b) similarity of the marks; (c) proximity of the products and likelihood of bridging the gap; (d) interrelationship among the distinctiveness of the senior mark, the similarity of the junior mark, and the proximity of the products; (e) shared consumers and geographic limitations; (f) sophistication of consumers; (g) actual confusion; (h) adjectival or referential quality of the junior use; (i) harm to the junior user and delay by the senior user; and (j) effect of senior user's prior laxity in protecting the mark. *Nabisco*, 191 F.3d at 217-22. Borrowing on the law of trademark infringement, this Court stated that "'contextual factors' have long been used to establish infringement. We see no reason why they should not be used to prove dilution." *Id.* at 224. Thus, the likelihood of dilution analysis was very close to an infringement analysis.

In dismissing Savin Copiers' FTDA claim, the District Court correctly interpreted *Moseley* to mean that, where the marks are identical, a plaintiff may offer circumstantial as opposed to direct evidence of actual dilution, and rejected the proposition that if the marks are identical, that fact alone is sufficient circumstantial evidence of actual dilution.

The District Court, recognizing ambiguity of the above sentence, identified the following two possible interpretations. The first is when the junior and senior marks are identical, that fact in and of itself is sufficient circumstantial evidence to prove actual dilution. The second is that circumstantial evidence of actual dilution, as opposed to direct evidence, is sufficient when the marks are identical. The District Court correctly found that the latter interpretation is the correct interpretation because, in the sentence following its statement that actual dilution may be proven through circumstantial evidence, this Court stated:

> [w]hatever the difficulties of proof may be entailed, they are not an acceptable reason for dispensing with proof of an essential element of a statutory violation.

Mosely, 537 U.S. at 434.

On appeal, the Second Circuit vacated the District Court's dismissal of Savin Copiers' FTDA claim on the ground that the District Court did not conduct an adequate factual investigation as to whether the marks were identical. In reaching its decision, the Second Circuit rejected the District Court's interpretation of this Court's ruling in *Moseley* finding that "where a plaintiff who owns a *famous* senior mark can show the commercial use of an identical junior mark, such a showing constitutes circumstantial evidence of the actual dilution element of an FTDA claim." *Savin Corp.*, 391 F.3d at 452-53 (Appendix A).

In contrast to the Second Circuit's decision here, the Ninth, Federal and Sixth Circuits have held that a claimant must still offer evidence of actual dilution even if the marks in question are identical. In *Nitro Leisure Products, L.L.C. v. Acushnet Co.*, the Federal Circuit, interpreting *Moseley*, held that a manufacturer of golf balls was required to show actual evidence of dilution where the alleged junior user sold refurbished golf balls to the consuming public that bore the golf ball manufacturer's identical trademarks. 341 F.3d 1356, 1366 (Fed. Cir. 2003).

The Sixth Circuit in *Kellogg Co. v. Toucan Golf, Inc.*, found that a consumer survey was insufficient evidence to establish actual dilution where both the senior and junior marks used the name "Toucan." 337 F.3d 616 (6th Cir. 2003). Specifically, the Sixth Circuit found that the senior holder's consumer surveys failed to present evidence that any segment of the population recognized the word "Toucan" as the spokesperson for its Froot Loops breakfast cereal. *See id.* at 628-29. Thus, the Sixth Circuit's requirement that a claimant show evidence of actual dilution even where the marks are identical directly contradicts the Second Circuit's ruling below.

The Ninth Circuit decision in *Playboy Enters., Inc. v. Netscape Communications Corp.*, is also contrary to the Second Circuit's decision here. 354 F.3d 1020 (9th Cir. 2004). In *Playboy*, the Ninth Circuit found that aside from lack of capitalization, the fonts and the fact that the defendants used the plural form of "playmate", the term "playmate" was identical to the senior user's trademarks "playboy" and "playmate." *See id.* at 1023. Even though the court concluded that the marks at issue were identical, the court nevertheless held that the senior user's consumer survey evidence of actual dilution was insufficient under *Moseley*. *See id.* at 1033-34.

In order to resolve the foregoing split in the Federal Circuit, this petition for certiorari must be granted.

III.

CERTIORARI SHOULD BE GRANTED BECAUSE SAVIN COPIERS' MARKS ARE AS A MATTER OF LAW NOT PRESENTLY FAMOUS NOR DID SAVIN COPIERS PRESENT ANY EVIDENCE THAT ITS MARKS WERE FAMOUS AT THE TIME SAVIN ENGINEERS FIRST USED ITS MARK IN COMMERCE

The Second Circuit has so far departed from the acceptable and usual course of judicial proceedings as to call for this Court's supervisory power because it did not affirm the District Court's dismissal of Savin Copiers' FTDA claim where Savin Copiers failed to prove that its marks have reached the high degree of renown required by the FTDA and where Savin Copiers failed to prove the statutory requirement that the alleged junior user's "use begins *after* the mark has become famous."

Although the FTDA provides broad protection to a deserving mark owner because it prohibits another's use of the mark "regardless of the presence or absence of (1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake or deception," 15 U.S.C. § 1127, an owner must still establish both that its mark is "famous" and that it achieved that fame prior to the junior user's first use of its own mark. 15 U.S.C. § 1125(c)(1) (2005). Savin Copiers failed to establish either of these essential elements of its claim and for this additional reason, this Court should grant certiorari here to resolve the exceptionally important issue of what constitutes fame under the FTDA.

For a mark to be "famous," the consuming public as a whole must be able to associate the mark with its owner even when it encounters the mark apart from the owner's goods or services. *See, e.g., Toro Co. v. Torohead, Inc.*, 61 U.S.P.Q.2d 1164, 1177 (T.T.A.B. 2001). Moreover, Congress recognized that:

> [t]he theory of dilution stems from a recognition that there are some marks that are so famous and distinctive that they deserve special protection. For these famous marks, the traditional protection from confusion is not enough.

See Fed. Trademark Dilution Act: Hearing Before the Subcomm. on Courts, the Internet, and Intellectual Prop., House Comm. on the Judiciary, 107th Cong. 21 (statement of Ethan Horowitz, Partner, Darby & Darby, P.C.) (2002). The Second Circuit, in recognizing the intent of Congress, has ruled that only marks that have become "household words" are sufficiently famous under the FTDA. *TCPIP Holding Co. v. Harr Communications, Inc.*, 244 F.3d 88, 99 (2d Cir. 2001). Accordingly, "very few trademarks qualify as famous marks." *The Christopher D. Smithers Found., Inc. v. St. Luke's-Roosevelt Hosp. Ctr.*, 2003 WL 115234 at *5 (S.D.N.Y. Jan. 13, 2003) (citing 3 J. THOMAS MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION, § 24:92 (4th ed. 2002)).

All that Savin Copiers offered to prove "famousness" is its allegation that Savin Copiers spent "over $20 million on advertising in 2002 and has achieved annual revenues of $675 million," and conclusory statements concerning the marks' alleged fame. That showing is grossly insufficient to raise a factual issue as to whether the word "Savin" is "famous," *i.e.*, akin to household words. *See TCPIP Holding Co.*, 244 F.3d at 99-100. The Second Circuit itself has found marks to fall short of

being "famous" despite sales and advertising figures greater than those alleged with respect to the "Savin" mark. *See id.* (insufficient evidence of fame where the senior user's affidavit asserted "'tens of millions of dollars'" spent on advertising, but did not assert "when expended, or how effectively"); *see also Advantage Rent-A-Car, Inc. v. Enterprise Rent-A-Car Co.*, 238 F.3d 378, 379, 381 (5th Cir. 2001) (mark not famous despite advertising expenditures of over $130 million); *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 873, 878-79 (9th Cir. 1999) (mark used for over seventy years, with annual sales of $3 billion, not famous). Indeed, Savin Copiers' marks are not famous as a matter of law.

Even beyond this, and even assuming, *arguendo*, that Savin Copiers offered evidence showing that its marks are currently famous, Savin Copiers tendered no proof that its alleged fame existed prior to Savin Engineers' first use of the word "Savin" in 1988. *See* 15 U.S.C. § 1125(c)(1) (2005). Absent a showing that its mark was famous prior to Savin Engineers' use of its own mark in 1988, Savin Copiers' dilution claim must fail as a matter of law. *See id.* As Savin Copiers has not met its burden of proving that its mark is famous and was famous prior to Savin Engineers' use of its mark in 1988, the Second Circuit should have affirmed the District Court order dismissing Savin Copiers' FTDA claim.

Based on the foregoing, the Court must grant Savin Engineers' petition for certiorari.

CONCLUSION

For the foregoing reasons, this Court should grant certiorari to: (i) address the important issue of what constitutes an "identical" mark when visibly dissimilar word marks are used in Internet domain names or spoken verbally; (ii) resolve the conflict between the Second Circuit and the Sixth, Federal and Ninth Circuits regarding the evidentiary requirements of proving actual dilution under the FTDA as set forth by this Court in *Moseley*; and (iii) review the ruling of the Second Circuit, which held that a question of fact exists as to whether Savin Copiers' marks are famous and discarded the requirement of proof of preexisting "famousness" and also improperly reversed the District Court's correct dismissal of Savin Copiers' FTDA claim as a matter of law.

Respectfully submitted,

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APPENDIX A — OPINION OF THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT DECIDED DECEMBER 10, 2004

UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

August Term, 2004

(Argued: August 25, 2004 Decided: December 10, 2004)

Docket No. 03-9266

SAVIN CORPORATION,

Plaintiff-Appellant,

v.

THE SAVIN GROUP, Savin Engineers, P.C., Savin Consultants, Inc. d/b/a Savin Engineers, P.C., and JMOA Engineering, P.C.,

Defendants-Appellees.

Before: MESKILL, MINER, and KATZMANN, Circuit Judges.

Appeal from summary judgment entered in the United States District Court for the Southern District of New York (Scheindlin, *J.*), dismissing (i) plaintiff's FTDA and state-law dilution claims, the court having found that plaintiff failed to produce any evidence of actual dilution, and (ii) plaintiff's Lanham Act infringement claim, the court having found that plaintiff failed to show a likelihood of confusion.

Affirmed in part, vacated in part, and remanded.

Appendix A

MINER, Circuit Judge.

Plaintiff-appellant, Savin Corporation, appeals from a summary judgment entered in the United States District Court for the Southern District of New York (Scheindlin, J.) dismissing Savin Corporation's claims alleging: (1) trademark dilution, in violation of both the Federal Trademark Dilution Act ("FTDA"), 15 U.S.C. § 1125(c), and New York General Business Law § 360-1, and (2) trademark infringement, in violation of the Lanham Act, 15 U.S.C. § 1114. On appeal, Savin Corporation argues that the District Court erred in holding that (i) the FTDA requires a plaintiff to demonstrate evidence of actual dilution even where the court finds that the at-issue marks are identical; (ii) the standard for dilution under New York General Business Law § 360-1 is the same as the standard for dilution under the FTDA; and (iii) there is no genuine issue of material fact regarding whether the defendants-appellees' use of certain at-issue marks creates a likelihood of confusion with the plaintiff-appellant's marks.

We agree with the plaintiff-appellant that the District Court erred in its analysis and disposition of the FTDA and state-law dilution claims, but we find no error in the District Court's analysis of the trademark infringement claim. We therefore affirm the judgment of the District Court in part, vacate in part, and remand for further proceedings consistent with this opinion.

Appendix A

BACKGROUND

A. *The Parties*

The following facts, which are essentially undisputed, are derived primarily from the District Court's presentation of background facts, in which we discern no clear error. Plaintiff-appellant, Savin Corporation ("Plaintiff"), a Delaware corporation, was founded in 1959 and has its principal place of business in Stamford, Connecticut. Plaintiff is engaged in the business of marketing, selling, and distributing state-of-the-art business equipment for commercial, business, and home-office use. Plaintiff's products include color and digital-imaging technology for photocopying, printing, facsimile, and other systems. Plaintiff also offers consulting and support services related to information technology and office management. Plaintiff's products are sold through seventeen company-owned branches consisting of over sixty sales and service offices and over 250 trained dealers throughout the United States. Plaintiff realizes annual revenues of over $675 million from sales of its products and services in the United States. Plaintiff's largest customers are in the government, education, and military sectors.

Max Lowe, Savin Corporation's founder, named the company after his brother-in-law, Robert Savin. Since 1959, the company has used the trade name "Savin" or "SAVIN" in various forms in connection with various products and services. Plaintiff's ownership of the "Savin" mark is incontestable with respect to: (i) copy paper and developing liquid; (ii) photocopying machines and parts thereof;

and (iii) maintenance and repair services for photocopiers and word processors. The company also owns the mark "SAVIN" for facsimile machines.

During 2002 alone, Plaintiff spent over $20 million in advertising its products and services, which are regularly featured in print and television advertisements, trade magazines, and tradeshow promotions worldwide. Plaintiff's advertisements have appeared in magazines such as *Newsweek, Time,* and *Business Week.* Plaintiff also maintains an active website—www.savin.com— through which Plaintiff markets and promotes its products and services. This website address is featured prominently in many of Plaintiff's advertisements.

Defendants-appellees are The Savin Group; Savin Engineers, P.C.; Savin Consultants, Inc. d/b/a Savin Engineers, P.C. ("Savin Consultants"); and JMOA Engineering, P.C. ("JMOA") (collectively, "Defendants" or "Savin Engineers"). JMOA and Savin Engineers, P.C. are New York-based professional engineering corporations with offices in Pleasantville, Syracuse, and Hauppauge, New York; together, the two corporations comprise The Savin Group. Savin Consultants is a New Jersey-based corporation that was incorporated in 1987 and that ceased to be actively engaged in business after Savin Engineers, P.C. was incorporated in 1988. Defendants provide professional engineering consulting services, in particular, civil-engineering consulting services to entities concerned with environmental waste management. Defendants also offer professional engineering services in connection with inspecting buildings and providing building-maintenance plans.

Appendix A

Dr. Rengachari Srinivasaragahavan, whose nickname since college has been "Nivas" (referred to in this opinion as "Dr. Nivas"), is the founder and sole shareholder of each of the defendant-appellee corporations. Dr. Nivas chose the name "Savin" by spelling "Nivas" backwards. Since 1987, Defendants have continually used the name "Savin" in commerce. Defendants did not perform a search or investigation prior to adopting and launching their trade names, and only became aware of Plaintiff's products and services about ten years ago.

Defendants have registered the Internet domain names www.thesavingroup.com and www.savinengineers.com. These websites, which became accessible after June 2001, provide information about the engineering services offered by Dr. Nivas' companies. Defendants did not perform a search or investigation prior to adopting and launching these websites, but were aware of Plaintiff's www.savin.com domain name prior to registering Defendants' domain names. Other than through these websites, Defendants have not advertised their services in any general interest media.

In July 2002, Plaintiff discovered Defendants' domain name registrations and proceeded promptly to send two successive cease-and-desist letters to Defendants, who elected to take no action in response to those letters.

In May 2003, one of Plaintiff's executives was attending a chamber of commerce meeting in Stamford, Connecticut, when another attendee, a vendor who had once sold products to Defendants, approached and asked the executive, who was wearing a name tag that displayed the name "Savin," if she was associated with Savin Engineers.

Presently, there are several hundred other businesses using the name "Savin" in various industries and capacities, including, for example, a general contractor in Newington, Connecticut (Savin Brothers, Inc.), a dry cleaner in Chesapeake, Virginia (Savin Cleaners), and a dentist in Glencoe, New York (Savin Dental Associates). Plaintiff has been aggressive in protecting its marks, with respect to both traditional media and the Internet.[1]

B. *The Claims*

On November 25, 2002, Plaintiff filed a complaint (the "Complaint") in the United States District Court for the Southern District of New York, alleging, inter alia, violations of both the Federal Trademark Dilution Act ("FTDA"), 15 U.S.C. § 1125(c), and New York General Business Law § 360-1; and trademark infringement, in violation of the Lanham Act, 15 U.S.C. § 1114.[2] Following discovery, both sides moved for summary judgment. On October 24, 2003, in a forty-four-page, unpublished opinion and order, the

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1. *See, e.g., Savin Corp. v. Rayne,* 00 Civ. 11728, 2001 U.S. Dist. LEXIS 20581, at *11 (D.Mass. Mar. 26, 2001); *Savin Corp. v. Copier Dealers, Inc.,* Case No. FA 0304000155903, (Nat'l Arb. Forum, July 9, 2003); *Savin Corp. v. Savinsucks.com,* Case No. FA 0201000103982, (Nat'l Arb. Forum, Mar. 5, 2002).

2. In the Complaint, Plaintiff also alleged false designation of origin under the Lanham Act, 15 U.S.C. § 1125(a)(1)(A); violation of the Anti-Cybersquatting Consumer Protection Act, 15 U.S.C. § 1125(d); violation of the New York Unfair Businesses Act, N.Y. Gen. Bus. L. § 349; violation of the New York False Advertising Act, N.Y. Gen. Bus. L. § 350; and unfair competition. Plaintiff has since abandoned these claims.

District Court denied Plaintiff's motion, granted Defendants' motion in its entirety, and dismissed all claims in the Complaint. *See Savin Corp. v. Savin Group,* 02 Civ. 9377, 2003 WL 22451731 (S.D.N.Y. Oct. 24, 2003).

With respect to Plaintiff's infringement claim under the Lanham Act, the court found that while "one of the *Polaroid* factors weigh[ed] in [P]laintiff's favor,"[3] the "overwhelming number of factors" as well as the "Internet initial interest confusion factor" weighed in Defendants' favor. *Id.* at *13. Accordingly, the court concluded, Defendants were entitled to summary judgment on the infringement claim. *Id.*

The District Court concluded that Plaintiff's claim of a violation of the FTDA had to be dismissed as well, because, the court found, Plaintiff had "failed to raise a material issue of fact with regard to an essential prong of the dilution test." *Id.* at *15. The court found, in particular, that Plaintiff had failed to produce any evidence of actual dilution—an essential element of a claim of a violation of the FTDA—other than that Defendants had used a junior mark that was identical to Plaintiff's senior mark. Thus, the court held, Plaintiff had failed to produce sufficient evidence for a rational jury to find that actual dilution had occurred. *Id.* at *14. The court did find, however, that Plaintiff had produced sufficient evidence to create a triable issue of fact on the other contested elements of an FTDA claim—the distinctiveness and fame of the senior mark. *Id.*

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3. *See Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir.1961), *and* discussion *infra* Part III.

Finally, with respect to the state-law dilution claim, the court found that "[t]he standards for dilution under Section 360-1 [were] essentially the same as that under [the FTDA]"; that Plaintiff had "failed to produce sufficient evidence to create a triable issue under the FTDA"; and, thus, that "the Section 360-1 claim also fail[ed]." *Id.* at *16 (internal quotation marks omitted). Final judgment was entered on October 31, 2003, dismissing the Complaint, and this timely appeal followed.

DISCUSSION

I. *The FTDA Claim*

Plaintiff argues that the District Court "erred in holding that, even though the marks at issue are identical, [Plaintiff] was required to demonstrate circumstantial evidence of actual dilution ... to maintain its claim under the [FTDA]." Defendants, on the other hand, argue that the District Court was correct in dismissing the FTDA claim because Plaintiff had "failed to tender admissible evidence to *prima facie* prove any of [the requisite] elements" of a claim under the FTDA.

The FTDA "permits the owner of a qualified, famous mark to enjoin junior uses throughout commerce, regardless of the absence of competition or confusion." *TCPIP Holding Co. v. Haar Communications Inc.*, 244 F.3d 88, 95 (2d Cir.2001); *see* 15 U.S.C. § 1127. Indeed, "[o]ne circuit has characterized the Dilution Act as coming 'very close to granting rights in gross in a trademark.'" *TCPIP Holding Co.*, 244 F.3d at 95 (quoting *Avery Dennison Corp. v. Sumpton,* 189 F.3d 868, 875 (9th Cir.1999)). Specifically,

the FTDA provides that "[t]he owner of a famous mark shall be entitled ... to an injunction against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark." 15 U.S.C. § 1125(c)(1). Thus, to establish a violation of the FTDA, a plaintiff must show that:

> (1) its mark is famous; (2) the defendant is making commercial use of the mark in commerce; (3) the defendant's use began after the mark became famous; and (4) the defendant's use of the mark dilutes the quality of the mark by diminishing the capacity of the mark to identify and distinguish goods and services.

Pinehurst, Inc. v. Wick, 256 F.Supp.2d 424, 431 (M.D.N.C.2003); *see* 15 U.S.C. § 1125(c); *Ringling Bros. v. Utah Div. of Travel Dev.,* 170 F.3d 449, 452 (4th Cir.1999); *Panavision Int'l L.P. v. Toeppen,* 141 F.3d 1316, 1324 (9th Cir.1998).[4]

The Supreme Court has made clear that a plaintiff seeking to take advantage of the broad rights afforded under the FTDA must show, as an essential element of an FTDA claim, "actual dilution, rather than a likelihood of dilution." *Moseley v. V Secret Catalogue, Inc.,* 537 U.S. 418, 433 (2003). The theory of "dilution by blurring," the form of

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4. Here, there is no dispute that Defendants' use of the at-issue marks has been in commerce and postdates Plaintiff's use of the marks.

dilution particularly relevant to the case at bar, has been described by Professor McCarthy as follows:

> [I]f one small user can blur the sharp focus of the famous mark to uniquely signify one source, then another and another small user can and will do so. Like being stung by a hundred bees, significant injury is caused by the cumulative effect, not by just one. . . . This is consistent with the classic view that the injury caused by dilution is the gradual diminution or whittling away of the value of the famous mark by blurring uses by others. It is also consistent with the rule in the [likelihood-of-confusion] cases that even a small infringer will not be permitted to "nibble away" at the plaintiff's reputation and goodwill.

4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 24:94 (4th ed. Supp.2004) (footnotes omitted); *accord General Motors Corp. v. Autovation Techs., Inc.*, 317 F.Supp.2d 756, 764 (E.D.Mich.2004).

A. *Fame and Distinctiveness*

In this Circuit, to sustain a claim under the FTDA, in addition to actual dilution, a plaintiff must show that the senior mark possesses both a "significant degree of *inherent* distinctiveness" and, to qualify as famous, "a high degree of . . . *acquired* distinctiveness." *TCPIP Holding Co.*, 244 F.3d at 97, 98 (emphasis added). Although a plaintiff must show a preponderance of evidence on each element of a claimed violation of the FTDA in order ultimately to prevail on such

a claim, *see Moseley,* 537 U.S. at 434, the element of fame is the key ingredient. This is because, among the various prerequisites to an FTDA claim, the one that most narrows the universe of potentially successful claims is the requirement that the senior mark be truly famous before a court will afford the owner of the mark the vast protections of the FTDA.[5]

Indeed, actionable dilution under the FTDA is defined as "the lessening of the capacity of a *famous* mark to identify and distinguish goods or services, regardless of the presence or absence of (1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake, or deception." 15 U.S.C. § 1127 (emphasis added). This requirement reflects the purpose of the FTDA, which "is to protect famous trademarks from subsequent uses that blur the distinctiveness of the mark or tarnish or disparage it, even in the absence of a likelihood of confusion." *Genovese Drug Stores, Inc. v. TGC Stores, Inc.,* 939 F.Supp. 340, 349 (D.N.J.1996) (internal quotation marks omitted). Accordingly, where it is possible for a district court to determine in the first instance the issue of the famousness of a senior mark, the court would be well advised to do so. Indeed, this will often obviate the costly litigation of potentially much thornier issues, such as whether actual blurring or tarnishing of the senior mark has in fact occurred

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5. In other words, a plaintiff owning only less-than-famous marks will receive no protection under the FTDA, even if that plaintiff can prove that the use of an identical junior mark has in fact lessened the capacity of the senior mark to identify and distinguish the plaintiff's goods or services—i.e., that actual dilution has occurred. *See TCPIP Holding Co.,* 244 F.3d at 97-98.

or, as in the instant case, whether a junior and senior mark that are each used in varying ways in different contexts and media are in fact "identical" for purposes of the FTDA.

Here, the District Court held that Plaintiff had "created a material issue of fact as to the distinctiveness and fame of its marks." 2003 WL 22451731, at *14. Although Defendants chose not to cross-appeal this conclusion, they nonetheless contend that the lack of inherent distinctiveness and fame in Plaintiff's marks provides an alternate basis upon which this Court should affirm the summary judgment granted by the District Court. Of course, "we may affirm the [D]istrict [C]ourt's order of summary judgment on any ground that finds adequate support in the record." *Eichelberg v. Nat'l R.R. Passenger Corp.*, 57 F.3d 1179, 1186 n. 6 (2d Cir.1995). We need not exercise that power here, however, as we see no error in the District Court's conclusion that Plaintiff has raised genuine issues of fact with regard to the fame and distinctiveness of its marks.

With respect to fame, or acquired distinctiveness, we recognize that the at-issue marks ultimately may be found to possess only a degree of "niche fame."[6] Nevertheless, we

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6. *See Christopher D. Smithers Found., Inc. v St. Luke's-Roosevelt Hosp. Ctr.*, 00 Civ. 5502, 2003 U.S. Dist. LEXIS 373, at *15-16 (S.D.N.Y. Jan. 13, 2003) ("[T]he degree of fame required for protection under the FTDA must exist in the general marketplace, not in a niche market. Thus, fame limited to a particular channel of trade, segment of industry or service, or geographic region is not sufficient to meet that standard." (citing *TCPIP Holding*, 244 F.3d at 99)); *see also Sporty's Farm L.L.C. v. Sportsman's Mkt., Inc.*, 202 F.3d 489, 497 n.10 (2d Cir.2000) (discussing the requirement for fame in the general marketplace).

agree with the District Court's conclusion that Plaintiff has shown "more than a mere scintilla of evidence" of fame, which is a sufficient quantum of proof to submit the question to the finder of fact. 2003 WL 22451731, at *14. In particular, the court found that:

> [Plaintiff] spent over $20 million on advertising in 2002 and has achieved annual revenues of $675 million. Further, [P]laintiff's products and services are regularly featured in print advertisements, trade magazines[,] and tradeshow promotions. Plaintiff's advertisements have appeared in well known magazines such as *Newsweek, Time,* and *Business Week.*

Id. (citations omitted). These are sufficient indicators of fame to withstand a summary judgment challenge to a claim under the FTDA. *Cf. Nabisco, Inc. v. PF Brands, Inc.*, 50 F.Supp.2d 188, 202 (S.D.N.Y.1999) (finding top ranking sales dollars and advertising expenses of more than $120 million in a three-year period to be significant indicators of the fame of the mark), *aff'd,* 191 F.3d 208 (2d Cir.1999).

With regard to inherent distinctiveness, the District Court was correct to conclude that Plaintiff's marks are entitled to a presumption of inherent distinctiveness by virtue of their incontestability. *See Sporty's Farm,* 202 F.3d at 497; *Equine Techs., Inc. v. Equitechnology, Inc.*, 68 F.3d 542, 545 (1st Cir.1995). Defendants assert that this presumption should not apply to the marks at issue because they are "merely descriptive" marks, which can never possess inherent distinctiveness. *See TCPIP Holding Co.,* 244 F.3d at 96

("[D]escriptive marks, which possess no distinctive quality, or at best a minimal degree, do not qualify for the [Dilution] Act's protection."). Defendants' argument is unavailing, however, because Plaintiff's marks are not, as a matter of law, merely descriptive marks.

While it is true that "Savin" is a surname and that Savin Corp. was named after Robert Savin, the brother-in-law of Plaintiff's founder, the word "savin" also has a dictionary meaning.[7] Admittedly, the "Savin" mark is not as obviously distinctive as, for example, "Honda" or "Acura."[8] But it is still entirely possible for a reasonable fact-finder to determine that the "Savin" mark possesses a sufficient degree of distinctiveness to sustain a finding of dilution, especially given that Plaintiff's marks are "not patently used as a surname." *Lane Capital Mgmt., Inc. v. Lane Capital Mgmt., Inc.*, 192 F.3d 337, 347 (2d Cir.1999);*see, e.g., IMAF, S.P.A. v. J.C. Penney Co.*, 806 F.Supp. 449, 455 (S.D.N.Y.1992)

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7. *See Merriam-Webster's Third New International Dictionary Unabridged* (2002) (defining "savin" as (1) "a mostly prostrate Eurasian evergreen juniper (Juniperus sabina) with dark foliage and small berries having a glaucous bloom and with bitter acrid tops that are sometimes used in folk medicine (as for amenorrhea or as an abortifacient)—called also cover-shame, sabina"; (2) "creeping juniper" or "red cedar"; or (3) "any of several trees, shrubs, or shrubby herbs somewhat resembling plants of the genus *Juniperus*").

8. *See Am. Honda Motor Co. v Pro-Line Protoform*, 325 F.Supp.2d 1081, 1085 (C.D.Cal.2004) ("The famousness and distinctiveness of the Honda Marks cannot be questioned. Indeed, "Honda" and "Acura" are words that were added to the English language by Honda. They are the quintessential distinctive marks. . . .").

("[T]he name (or word) Adiansi is not likely to be immediately identified with a person by an average buyer of a sweater at J.C. Penney. Thus, the fact that Adiansi is a surname is not dispositive on the issue of inherent distinctiveness.").

B. *Evidence of Actual Dilution*

In *Moseley,* the Supreme Court stated that "direct evidence of dilution such as consumer surveys will not be necessary if actual dilution can reliably be proved through circumstantial evidence—the obvious case is one where the junior and senior marks are identical." 537 U.S. at 434. The Court cautioned, however, that "[w]hatever difficulties of proof may be entailed, they are not an acceptable reason for dispensing with proof of an essential element of a statutory violation." *Id.*

Plaintiff interprets *Moseley* to stand for the proposition that where both marks are identical, that fact, in itself, is sufficient circumstantial evidence to satisfy the element of actual dilution. Not all courts read the above-quoted portion of the *Moseley* decision as does Plaintiff, however. Indeed, the District Court did not. And, at least two other courts have questioned whether the Supreme Court intended for plaintiffs to be able to establish a violation of the FTDA merely by showing the commercial use of an identical junior mark. *See Lee Middleton Original Dolls, Inc. v. Seymour Mann, Inc.,* 299 F.Supp.2d 892, 902 (E.D.Wis.2004); *see also Nike, Inc. v. Circle Group Internet, Inc.,* 318 F.Supp.2d 688, 695 (N.D.Ill.2004).

The holdings in those cases, however, are of little assistance here. The district court in *Lee Middleton Original Dolls* took a decidedly cautious approach, leaving the issue for the jury to resolve:

> In view of the developing status of the law on the nature of evidence required, the court believes that the best course is to permit the plaintiff the opportunity to present its dilution claim to the jury. The defendant's motion for summary judgment on this issue will be denied.

299 F.Supp.2d at 902. And in *Circle Group Internet,* the court was able to avoid the question on the facts:

> The parties disagree on the correct interpretation of the *Moseley* court's dicta regarding circumstantial evidence. According to defendant, the *Moseley* court meant that proof of actual dilution by circumstantial evidence is sufficient if the marks are identical. Plaintiff, on the other hand, maintains that if the marks are identical, that in itself constitutes sufficient circumstantial evidence of dilution. The court need not resolve this dispute, however, because in addition to the identity of the marks at issue, there is sufficient circumstantial evidence of dilution in the record to preclude summary judgment.

318 F.Supp.2d at 695 (internal citations omitted).

Moreover, the District Court's opinion in the case at bar seems to have been the sole basis for the district courts in those other cases to question the plain import of the at-issue language of the Supreme Court in *Moseley*. *See Lee Middleton Original Dolls,* 299 F.Supp.2d at 902 (citing only *Savin Corp. v. Savin Group,* 2003 WL 22451731, at *14 (S.D.N.Y. Oct.24, 2003), for the proposition that more than a showing of identical marks is required to make out a prima facie case of actual dilution); *see also Circle Group Internet,* 318 F.Supp.2d at 695 (citing only *Savin Corp. v. Savin Group* for same). Indeed, in most of the other cases identified as having dealt with this issue, the courts seem to have assumed that where the other elements of an FTDA claim have been satisfied, *Moseley* only requires a showing of the use of an identical junior mark to establish per se evidence of actual dilution.[9]

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9. *See, e.g., Am. Honda Motor Co.,* 325 F.Supp.2d at 1085 ("[W]hen identical marks are used on similar goods, dilution—the capacity of the famous mark to identify and distinguish the goods of the trademark holder—obviously occurs."); *GMC v. Autovation Techs.,* 317 F.Supp.2d 756, 764 (E.D.Mich.2004) ("GM's evidence establishes actual dilution in that Defendant has used marks that are identical to the world famous GM Trademarks."); *7-Eleven, Inc. v. McEvoy,* 300 F.Supp.2d 352, 357 (D.Md.2004) ("Though dilution claims require evidence of actual confusion, that requirement is satisfied when, as here, the defendant uses the plaintiff's mark."); *Nike Inc. v. Variety Wholesalers, Inc.,* 274 F.Supp.2d 1352, 1372 (S.D.Ga.2003) ("[T]he Court concludes that Variety has diluted the Nike trademarks due to the identical or virtually identical character of the marks on the Accused Goods to the Nike trademarks."); *see also Pinehurst,* 256 F.Supp.2d at 432 (finding actual dilution where defendant used domain names identical and nearly identical to plaintiff's trademarks).

Appendix A

We interpret *Moseley* to mean that where a plaintiff who owns a *famous* senior mark can show the commercial use of an identical junior mark, such a showing constitutes circumstantial evidence of the actual-dilution element of an FTDA claim. Thus, for example, a store owner who loses a 7- Eleven franchise yet continues to use the famous "7-Eleven" mark, in so doing, violates the FTDA and may be enjoined thereunder from using the mark. *See 7-Eleven,* 300 F.Supp.2d at 357. Indeed, a number of commentators have suggested that this is precisely what the Supreme Court was getting at in *Moseley*—i.e., that an identity of marks creates a presumption of actual dilution.[10] This would

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10. *See, e.g.,* Stacey L. Dogan, *An Exclusive Right to Evoke,* 44 *B.C. L.Rev.* 291 (2003). Prof. Dogan writes:

> [U]nder the [Supreme] Court's suggested approach [in *Moseley*], proof of dilution requires either that a defendant's use *by its very nature* reduces the singularity of the famous mark (*as when the defendant uses an identical mark*) or that a defendant's use actually reduces the singularity of the famous mark (by, for example, reducing its selling power, as proven through surveys or direct financial evidence).

Id. at 315-16 (second emphasis added); *accord* David M. Klein & Daniel C. Glazer, *Reconsidering Initial Interest Confusion on the Internet,* 93 *Trademark Rep.* 1035, 1048 n.70 (Sept./Oct.2003):

> Although the Supreme Court's decision in *Moseley* appears to require proof of actual harm to a famous mark in order to prevail on an FTDA claim, the Court suggests that the junior user's exact copying of the mark will be

(Cont'd)

comport with the holdings of other courts in analogous contexts. *See, e.g., Am. Honda Motor Co.*, 325 F.Supp.2d at 1085 ("[W]hen identical marks are used on similar goods, dilution .. . obviously occurs.").

It cannot be overstated, however, that for the presumption of dilution to apply, the marks must be identical. In other words, a mere similarity in the marks—even a close similarity—will not suffice to establish per se evidence of actual dilution. Further, "where the marks at issue are not identical, the mere fact that consumers mentally associate the junior user's mark with a famous mark is not sufficient to establish actionable dilution." *Moseley,* 537 U.S. at 433. "[S]uch mental association will not necessarily reduce the capacity of the famous mark to identify the goods of its owner, the statutory requirement for dilution under the FTDA." *Id.* Strictly enforcing the identity requirement comports well with the purposes of the FTDA and with the principle previously elucidated by this Court that the class of parties protected by the federal dilution statute is narrow indeed. *See TCPIP Holding Co.*, 244 F.3d at 95 ("The [FTDA] further differs from traditional trademark law in that the class of entities for whose benefit the law was created is far narrower.").

(Cont'd)

> sufficient circumstantial evidence to demonstrate dilution. 123 S.Ct. at 1125. Presumably, a junior user's transaction of business at a website under a domain name incorporating a mark identical to a famous fanciful mark [such as "xerox.com"] would constitute such circumstantial evidence.

Appendix A

Oftentimes, the issue of whether the marks are identical will be context-and/~~or media~~-specific and factually intensive in nature. For instance, marks that are textually identical may appear very different from one another (e.g., in terms of font, size, color, etc.) where they are used in the form of dissimilar corporate logos, either in traditional media or on the Internet. Depending on the circumstance, this may or may not determine the outcome of the identity analysis. Similarly, marks that are textually identical may be pronounced differently, which also could be relevant under certain circumstances, such as, for example, where the marks are used in radio advertising. Indeed, the need for careful and exacting analysis of the identity issue highlights the basis for our emphasis on the famousness factor as a more expeditious avenue of resolution, given the case law in this Circuit limiting application of the FTDA to only the most famous of marks. *See id.*

Here, the marks at issue may be identical in some contexts but not in others. Where the senior and junior "Savin" marks both are used in website addresses, the marks may be identical. On the other hand, where the "Savin" marks at issue appear in stylized graphics on webpages, the competing marks may be found merely to be very similar. For its part, the District Court appears to have concluded, without analysis, that the at-issue marks are identical: "[P]laintiff offers no circumstantial evidence of any kind tending to show actual dilution other than the fact that *the marks are identical*." 2003 WL 22451731, at *15 (emphasis added). In analyzing the similarity of the marks in the context

of assessing Plaintiff's infringement claim, however, the court found as follows:

> [P]laintiff and [D]fendants both use the name "Savin," and their logos display similar block letter fonts, with one arm of the letter "V" slanted at a greater angle than the other. The only apparent difference in the marks is that [D]efendants' logo incorporates four squares, one slightly tilted, to the left of the name. Given that both marks feature the same name, such a difference is inconsequential.

Id. at *7 (citations omitted).

We find the District Court's language in this regard to be somewhat ambiguous. In particular, we are uncertain whether, in analyzing the FTDA claim, the court (a) concluded that "the marks are identical," *id.* at *15, based on its previous determination regarding the similarity of the marks in the infringement context; (b) simply assumed them to be identical, arguendo; or (c) arrived at its determination by some altogether different route, perhaps as an effect of choices made by Plaintiff in pleading its case and presenting its evidence. In light of the lack of any detailed analysis in the opinion of the District Court regarding the issue of the identity of the marks for purposes of the FTDA claim, we deem it necessary to remand the issue to the District Court for clarification and specific findings as to whether the junior and senior marks are identical.

In this regard, we caution that although the differences between the marks noted by the court in the infringement context may be inconsequential in that context, such differences may indeed be relevant in the analysis of the dilution issue. The fact that Defendants have used the marks somewhat differently than has Plaintiff—e.g., by registering the domain name www.thesavingroup.com as opposed to simply www.savin.com—may also be relevant. We emphasize, however, that it is the identity of the marks themselves that is germane in the dilution context, and the modifying of the mark—by adding one or more generic descriptors to the mark in a website address, for example—will not necessarily defeat a showing that the marks themselves are identical in specific contexts. *See, e.g., A.C. Legg Packing Co. v. Olde Plantation Spice Co.*, 61 F.Supp.2d 426, 430-31 (D.Md.1999) ("OPSC's OLDE PLANTATION SPICE mark is nearly identical in appearance to A.C. Legg's OLD PLANTATION mark, differing only in the spelling of 'olde' and the addition of the generic word 'spice.'" *The marks are identical in sound and connotation.*" (emphasis added)); *cf. Golden Door, Inc. v. Odisho*, 646 F.2d 347, 350 (9th Cir.1980) (focusing, in the infringement context, on identical *portions* of a junior and senior mark).

For all of the foregoing reasons, we vacate that portion of the judgment of the District Court dismissing Plaintiff's claim of a violation of the FTDA, and remand for proceedings consistent with this opinion.

Appendix A

II. *The State-Law Dilution Claim*

In ruling on Plaintiff's state-law dilution claim, brought under New York General Business Law § 360-1, the District Court held that "[t]he standards for dilution under Section 360-1 are 'essentially the same as that under § 43(a) of the Lanham Act.'" *Savin Corp. v. Savin Group,* 2003 WL 22451731, at *16 (quoting *Winner Int'l LLC v. Omori Enters., Inc.,* 60 F.Supp.2d 62, 73 (E.D.N.Y.1999)). The District Court then held that "[a]s [P]laintiff failed to produce sufficient evidence to create a triable issue under the FTDA, it follows that the Section 360-1 claim also fails." *Id.* Based on this conclusion, the court granted summary judgment to Defendants on the Section 360-1 claim. The District Court was incorrect, however, to rely on *Winner International LLC v. Omori Enterprises, Inc.,* and the sources cited therein, for the proposition that the same showing must be made to sustain an FTDA claim as to sustain a claim under Section 360-1. Indeed, a careful reading of the relevant language in *Winner* makes clear that the particular point of federal-state equivalence that was dispositive in that case is inapposite to the case at bar.

In *Winner,* the district court was concerned principally with the question of the similarity of two competing trade dresses. *See* 60 F.Supp.2d at 64-65. In assessing the plaintiff's claims for dilution under the FTDA and under state law, the court found as follows:

> In order to establish a claim for injury to business reputation or dilution [under New York law], plaintiff must establish two elements:

> (1) a distinctive mark capable of being diluted and (2) a likelihood of dilution....
>
> Dilution has been defined as either a blurring of a mark's product identification or the tarnishment of the affirmative associations a mark has come to convey. A prerequisite to a finding of dilution is that the marks are substantially similar. That standard has been applied to a finding of dilution under federal law as well.

Id. at 73 (citations and internal quotation marks omitted). The *Winner* court concluded that because the at-issue trade dresses were not substantially similar, a claim for dilution was not sustainable under either the FTDA or the New York statute.

Here, in contrast, the District Court impliedly found the at-issue marks to be not only substantially similar but in some contexts virtually identical. *See* 2003 WL 22451731, at *7, *15; *see also* discussion *supra* part I.B. This case, then, is plainly distinguishable from *Winner* on the facts. In any event, regarding the issue of the standard of proof for a claim of a violation of the FTDA, neither *Winner* nor the sources cited therein and relied on by the District Court represent a correct view of the law as it now stands.

A likelihood of dilution may have been enough to sustain a claim for dilution under the FTDA in 1999. In 2003, however, the Supreme Court decided *Moseley,* which changed

the landscape of the law on this issue. As the Sixth Circuit noted in *AutoZone, Inc. v. Tandy Corp.*:

> To resolve a circuit split, the Supreme Court addressed the discrete issue of whether a dilution claim required proof of actual dilution or whether proof of a likelihood of dilution would suffice. Analyzing the text of [the FTDA], the Court held that the statute "unambiguously requires a showing of actual dilution, rather than a likelihood of dilution."

373 F.3d 786, 804 (6th Cir.2004) (quoting *Moseley,* 537 U.S. at 433) (citations omitted).

This Circuit was one of those which, before *Moseley,* required a showing of a mere likelihood of dilution to sustain a claim of a violation of the federal statute. *See, e.g., Nabisco, Inc. v. PF Brands, Inc.,* 191 F.3d 208, 224-25 (2d Cir.1999) (reading the federal anti-dilution "statute to permit adjudication granting or denying an injunction, whether at the instance of the senior user or the junior seeking declaratory relief, before the dilution has actually occurred"). Now, of course, the federal standard requires a showing of actual dilution, *Moseley,* 537 U.S. at 434; *see* discussion *supra* part I, and, thus, is more stringent than the New York standard. Therefore, the District Court erred in dismissing Plaintiff's Section 360-1 dilution claim based solely on the court's determination that Plaintiff had "failed to produce sufficient evidence to create a triable issue under the

FTDA."[11] 2003 WL 22451731, at *16. Accordingly, we vacate that portion of the judgment of the District Court dismissing the state-law dilution claim and remand for consideration of that claim under the appropriate standard.

III. *The Trademark Infringement Claim*

"A claim of trademark infringement . . . is analyzed under [a] familiar two-prong test[.] . . . The test looks first to whether the plaintiff's mark is entitled to protection, and second to whether [the] defendant's use of the mark is likely to cause consumers confusion as to the origin or sponsorship of the defendant's goods." *Virgin Enters., Ltd. v. Nawab,* 335 F.3d 141, 146 (2d Cir.2003) (citing *Gruner + Jahr USA Publ'g v. Meredith Corp.,* 991 F.2d 1072, 1074 (2d Cir.1993)).

A. *Validity of Plaintiff's Marks*

Defendants admit that three of Plaintiff's marks are incontestable. *Savin Corp. v. Savin Group,* 2003 WL 22451731, at *4. Accordingly, we need not tarry with the first prong of the infringement test.

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11. Defendants tacitly concede that the District Court erred in this regard, but advance a sort of "harmless error" argument, asserting that the District Court's determinations relating to other issues—the *Polaroid* factors, for example—make clear that Plaintiff failed to show even a likelihood of dilution. This argument has no merit, as the various analyses undertaken by the court are fact-intensive, highly specific, and hardly interchangeable.

Appendix A

B. *Likelihood of Confusion*

"[T]he crucial issue in an action for trademark infringement .. . is whether there is any likelihood that an appreciable number of ordinarily prudent purchasers are likely to be misled, or indeed simply confused, as to the source of the goods in question." *Mushroom Makers, Inc. v. R.G. Barry Corp.*, 580 F.2d 44, 47 (2d Cir.1978); *Maternally Yours, Inc. v. Your Maternity Shop, Inc.*, 234 F.2d 538, 542 (2d Cir.1956). "The court, in making this determination and fashioning suitable relief, must look .. . to a host of other factors." *Mushroom Makers,* 580 F.2d at 47. First articulated in the seminal case *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d at 495, the eight principal factors, known as the *Polaroid* factors, are as follows: (1) the strength of the senior mark; (2) the degree of similarity between the two marks; (3) the proximity of the products; (4) the likelihood that the prior owner will "bridge the gap"; (5) actual confusion; (6) the defendant's good faith (or bad faith) in adopting its own mark; (7) the quality of defendant's product; and (8) the sophistication of the buyers. *Id.* Moreover, depending on the complexity of the issues, "the court may have to take still other variables into account." *Id.*

Here, Plaintiff argues that the District Court erred in its application of the first and sixth factors—i.e., in assessing (i) the strength of Plaintiff's mark and (ii) the good faith of Defendants in adopting their own mark. Plaintiff also notes that *if* theDistrict Court erred in assessing the strength of the senior mark, then error would be implied in the court's analysis of proximity as well. For their part, Defendants argue that even if the court erred in analyzing the strength of the

senior mark and the good faith of Defendants, any "such error would be insufficient to overturn the ruling of the [D]istrict [C]ourt on likelihood of confusion, as five of the other *Polaroid* factors weigh in favor of [Defendants], and no single factor of the analysis is dispositive."

"In reviewing the [D]istrict [C]ourt's evaluation of the *Polaroid* factors, each individual factor is reviewed under a clearly erroneous standard, but the ultimate determination of the likelihood of confusion is a legal issue subject to *de novo* review." *Brennan's, Inc. v. Brennan's Rest. L.L.C.*, 360 F.3d 125, 130 (2d Cir.2004).

1. *Strength of the Senior Mark*

"[T]he strength of a mark depends ultimately on its distinctiveness, or its 'origin-indicating' quality, in the eyes of the purchasing public." *McGregor-Doniger Inc. v. Drizzle, Inc.*, 599 F.2d 1126, 1131-32 (2d Cir.1979), *overruled on other grounds by Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033, 1043-44 (2d Cir.1992). As noted above, an incontestible registered trademark enjoys a conclusive presumption of distinctiveness. *See Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 204-05 (1985); *see also* discussion *supra* part I. Yet even if a mark is registered and, thus, afforded the utmost degree of protection, *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 871 (2d Cir.1986), the presumption of an exclusive right to use the mark extends only so far as the goods or services noted in the registration certificate, *Mushroom Makers*, 580 F.2d at 48.

Here, the District Court made the following findings:

> Three of [P]laintiff's marks are incontestable and hence are presumptively strong as applied to the goods and services listed on the registrations, namely: Liquid and paper for photocopiers; photocopiers and parts thereof; and maintenance and repair services for photocopiers and word processors. Plaintiff is also able to show that its marks possess secondary meaning in the market for high-quality business machinery and related services. Plaintiff has submitted evidence that it sells it [sic] products through seventeen branches and over [250] trained dealers throughout the United States; spent over $20 million in advertising in 2002; and realized annual revenues of over $675 million. Such evidence is sufficient to establish that [P]laintiff's marks possess secondary meaning in [P]laintiff's market.

2003 WL 22451731, at *6 (footnote and citations omitted). Critically, however, the court also found that Plaintiff had not shown "that its marks [were] strong in the market for professional engineering" services, and had not "submitted [any] evidence that its marks possess[ed] secondary meaning in the market for professional engineering" services. *Id.*

As we find no clear error in these findings, we conclude that the District Court did not err in determining that the presumption of the strength of Plaintiff's mark does not extend to the field of professional engineering. *See Mushroom Makers,* 580 F.2d at 48; *Paco Sport, Ltd. v. Paco Rabanne*

Parfums, 86 F.Supp.2d 305, 312 (S.D.N.Y.2000). Accordingly, we also agree with the court's ultimate determination that the first *Polaroid* factor, strength of the mark, weighs in favor of Defendants.

2. *Similarity of the Marks*

"[E]ven close similarity between two marks is not dispositive of the issue of likelihood of confusion." *McGregor-Doniger,* 599 F.2d at 1133. "Rather, the crux of the issue is whether the similarity is likely to cause confusion among numerous customers who are ordinarily prudent." *Swatch Group (U.S.) Inc. v. Movado Corp.,* 01 Civ. 0286, 2003 U.S. Dist. LEXIS 6015, at *11 (S.D.N.Y. Apr. 10, 2003) (citing *Morningside Group Ltd. v. Morningside Capital Group L.L.C.,* 182 F.3d 123, 139-40 (2d Cir.1999)). Thus, "an inquiry into the degree of similarity between two marks does not end with a comparison of the marks themselves." *Spring Mills, Inc. v. Ultracashmere House, Ltd.,* 689 F.2d 1127, 1130 (2d Cir.1982). As this Court has stated, "the setting in which a designation is used affects its appearance and colors the impression conveyed by it." *McGregor-Doniger,* 599 F.2d at 1133 (internal quotation marks omitted). Indeed, the " 'impression' conveyed by the setting in which the mark is used is often of critical importance." *Spring Mills,* 689 F.2d at 1130.

Here, the District Court found that:

> [P]laintiff and Defendants both use the name "Savin," and their logos display similar block letter fonts, with one arm of the letter "V" slanted

> at a greater angle than the other. The only apparent difference in the marks is that [D]efendants' logo incorporates four squares, one slightly tilted, to the left of the name. Given that both marks feature the same name, such a difference is inconsequential.

2003 WL 22451731, at *7. In addition, one of the settings in which the junior mark has allegedly infringed the senior mark is the Internet, where the subtle differences in font and other characteristics noted by the District Court are of even less significance, given that the overarching concern of the individual searching the Internet is to arrive at the correct website, which is ultimately identified by a purely text-based website address.[12] We find no clear error in the District Court's determinations on this point and, in light of the foregoing, agree that this factor weighs in Plaintiff's favor.

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12. *See Pinehurst,* 256 F.Supp.2d at 431:

> A significant purpose of a domain name is to identify the entity that owns the [website]. Customers searching for a company's website will often search using a domain name identical or similar to the company's name or mark. . . . Customers unable to locate [a plaintiff's] website using domain names identical to its marks, . . . may fail to continue to search for [the plaintiff's] own home page, due to anger, frustration, or the belief that [the plaintiff's] home page does not exist.

(citations and internal quotation marks omitted).

Appendix A

3. *Proximity of the Entities' Products and/or Services*

"This factor focuses on whether the two products compete with each other. To the extent goods (or trade names) serve the same purpose, fall within the same general class, or are used together, the use of similar designations is more likely to cause confusion." *Lang v. Ret. Living Pub. Co.*, 949 F.2d 576, 582 (2d Cir.1991). In assessing this factor, "the court may consider whether the products differ in content, geographic distribution, market position, and audience appeal." *W.W.W. Pharm. Co. v. Gillette Co.*, 984 F.2d 567, 573 (2d Cir.1993); *see, e.g., Arrow Fastener Co. v. Stanley Works*, 59 F.3d 384, 396 (2d Cir.1995) (holding that customers were not likely to be confused when both parties sold staplers in the same stores, but one party sold a pneumatic stapler and the other a lightweight small stapler).

Here, the District Court found, inter alia, as follows:

> [T]he [proportional] difference in price between [P]laintiff's back office facilities management services and [D]efendants' professional engineering services is at least as great as, if not greater than, that between the two types of staplers in *Arrow Fastener*. Similarly, the expertise of [P]laintiff's engineers in information technology and that of [D]efendants' [engineering professionals] in construction and waste management projects serve very different needs within the sectors from which both parties draw their customers.

. . . .

> Even though [P]laintiff's marks may be strong in the market for sophisticated business equipment and services, professional engineering services do not reasonably fall within the broadly defined market of potentially related services. Although the marks are very similar, consumers are unlikely to be confused as to source because [of] the competitive distance between the parties' services
>
> . . . .

2003 WL 22451731, at *8-9. We discern no clear error in the District Court's findings on this point, and thus we concur in the court's determination that the at-issue products and services are not proximate as a matter of law.

4. *Actual Confusion*

"[I]t is black letter law that actual confusion need not be shown to prevail under the Lanham Act, since actual confusion is very difficult to prove and the Act requires only a likelihood of confusion as to source." *Lois Sportswear,* 799 F.2d at 875. Nonetheless, it has been noted that:

> There can be no more positive or substantial proof of the likelihood of confusion than proof of actual confusion. Moreover, reason tells us that while very little proof of actual confusion would be necessary to prove the likelihood of confusion, an almost overwhelming amount of proof would be necessary to refute such proof.

World Carpets, Inc. v. Dick Littrell's New World Carpets, 438 F.2d 482, 489 (5th Cir.1971).

In the instant case, the District Court found that Plaintiff had submitted as evidence of actual confusion only the single incident at the chamber of commerce meeting, *see supra,* where "someone who had previously sold an exhibit to [D]efendants mistakenly concluded that one of [P]laintiff's executives was associated with [Savin Engineers]." 2003 WL 22451731, at * 10. A single "anecdote[ ] of confusion over the entire course of competition," however, "constitute[s] *de minimis* evidence insufficient to raise triable issues." *See Nora Beverages, Inc. v. Perrier Group of Am., Inc.,* 269 F.3d 114, 124 (2d Cir.2001). The District Court's findings on this point are not clearly erroneous, and we find that the court committed no error in concluding that this factor weighs in Defendants' favor.

5. *Bridging the Gap*

The question under this factor is the likelihood that Plaintiff will enter the market for professional engineering services relating to the construction industry. *See W.W.W. Pharm. Co.,* 984 F.2d at 574. "This factor is designed to protect the senior user's 'interest in being able to enter a related field at some future time.'" *Id.* (quoting *Scarves by Vera, Inc. v. Todo Imports Ltd.,* 544 F.2d 1167, 1172 (2d Cir.1976)).

Here, the District Court found that:

> Plaintiff claims that it intends to expand its involvement in the area of facilities management, but the only evidence [P]laintiff presents to support this allegation is a statement [by Thomas Salierno, Plaintiff's President and Chief Operating Officer,] that [P]laintiff intends to "work[ ] in an office environment and expand[ ] [into] whatever the customer needs." This statement fails to support any inference that [P]laintiff intends to enter [D]efendants' market.

2003 WL 22451731, at *9 (citations omitted). We agree with the District Court's conclusion that even drawing all inferences in Plaintiff's favor, this bare assertion fails to raise a genuine issue of material fact that Plaintiff is likely to enter Defendants' corner of the marketplace.

6. *Good Faith*

The good-faith factor "considers whether the defendant adopted its mark with the intention of capitalizing on [the] plaintiff's reputation and goodwill and [on] any confusion between his and the senior user's product." *W.W.W. Pharm. Co.*, 984 F.2d at 575 (internal quotation marks omitted).

Here, Plaintiff asserts that Defendants acted in bad faith because (i) Dr. Nivas "had knowledge of [Plaintiff's] products and services for approximately ten years"; (ii) Savin Engineers "never performed a search or investigation prior to adopting and launching their trade names incorporating

the term SAVIN"; and (iii) Savin Engineers were aware of Plaintiff's "savin.com domain name prior to registering their thesavingroup.com and savinengineers.com domains." Therefore, Plaintiff argues, the District Court clearly erred in finding that Defendants did not act in bad faith.

Notably, however, the District Court also found, in particular, that Defendants:

> had no reason to believe that they might be infringing another's marks [,] because they were not copying the mark from another entity. In fact, [D]efendants' founder was not even aware of [P]laintiff's existence at the time he adopted his mark, and arrived at the name "Savin" independently by reversing the spelling of his nickname "Nivas."

2003 WL 22451731, at *10. Moreover, as the District Court observed, even if Defendants had conducted a trademark search, they would have discovered only that the "Savin" mark was registered for photocopiers and related goods and services and, hence, would have had no reason to believe that using the same name for professional engineering services would infringe Plaintiff's marks. *Id.* at *11.

In any event, "failure to perform an official trademark search, ... does not[,] standing alone[,] prove that [Defendants] acted in bad faith." *Streetwise Maps, Inc. v. VanDam, Inc.*, 159 F.3d 739, 746 (2d Cir.1998). Nor is "[p]rior knowledge of a senior user's trade mark" inconsistent with good faith. *See Arrow Fastener,* 59 F.3d at 397.

Accordingly, we conclude that the District Court was correct in determining that Plaintiff has failed to raise a material issue of fact regarding Defendants' alleged bad faith.

7. *Quality of the Entities' Product and/or Services*

"The next factor, quality of the junior user's product, is the subject of some confusion." *Hasbro, Inc. v. Lanard Toys, Ltd.*, 858 F.2d 70, 78 (2d Cir.1988). Essentially, there are two issues with regard to quality, but only one has relevance to determining the likelihood of confusion. If the quality of the junior user's product is low relative to the senior user's, then this increases the chance of actual injury where there is confusion, i.e., through dilution of the senior user's brand. *Id.; see, e.g., Lois Sportswear,* 799 F.2d at 875. A marked difference in quality, however, actually tends to reduce the likelihood of confusion in the first instance, because buyers will be less likely to assume that the senior user whose product is high-quality will have produced the lesser-quality products of the junior user. Conversely, where the junior user's products are of approximately the same quality as the senior user's, there is a greater likelihood of confusion, but less possibility of dilution. *Hasbro,* 858 F.2d at 87; *see, e.g., Lois Sportswear,* 799 F.2d at 875.

In this case, the District Court found that as Defendants' services were "not closely similar to those provided by [P]laintiff," any equivalence in "quality between their products [was] unlikely to cause confusion." 2003 WL 22451731, at *11 (citation omitted). This finding is neither clearly erroneous nor, for that matter, even challenged on appeal.

Appendix A

8. *Sophistication of Purchasers*

As the theory goes, the more sophisticated the purchaser, the less likely he or she will be confused by the presence of similar marks in the marketplace. *See Maxim's, Ltd. v. Badonsky,* 772 F.2d 388, 393 (7th Cir.1985) ("[I]n general, where 'the cost of the defendant's trademarked product is high, the courts assume that purchasers are likely to be more discriminating than they might otherwise be.' " (quoting Jerome Gilson, *Trademark Protection and Practice* § 5.08 (1985))).

Here, the District Court found that both Plaintiff and Defendants:

> offer highly priced services that do not usually invite impulse buying and are ordinarily purchased by experienced professionals in the course of business. The decision to invest in new business equipment or to engage professional engineers is often the result of careful deliberation by more than one individual in the purchasing organization. The likelihood that such sophisticated consumers will be confused as to the source of the services is remote.

2003 WL 22451731, at *12. On appeal, Plaintiff does not so much challenge this finding as sidestep it, implying that the District Court erred because "most individuals, whether they are sophisticated or unsophisticated, come into contact with the type of office equipment manufactured by [Plaintiff]." Indeed, notes Plaintiff, "[e]veryone uses photocopiers and fax machines."

Of course, the relevant inquiry is not whether daily users, or, even more amorphously, "individuals . . . com[ing] into contact" with Plaintiff's products, would likely confuse them with those of Defendants. Rather, the pertinent question is whether "numerous ordinary prudent *purchasers*" would likely "be misled or confused as to the source of the product in question because of the entrance in the marketplace of [Defendants'] mark." *Gruner + Jahr USA Publ'g*, 991 F.2d at 1077 (emphasis added); *see also Brennan's*, 360 F.3d at 134 ("To succeed on an infringement claim, plaintiff must show that it is probable, not just possible, that *consumers* will be confused." (emphasis added)). The District Court's findings on this point, which are not squarely challenged on appeal, may have been somewhat in the nature of "common sense" assumptions, but this does not make them clearly erroneous. In any event, we find no error in the court's determination that this factor weighs in Defendants' favor.

C. *Balancing the Factors*

As the District Court found, one of the *Polaroid* factors—similarity of marks—weighs in Plaintiff's favor, while the other factors weigh in favor of Defendants.[13] Having

13. The District Court also included an "Internet initial interest confusion factor" in the *Polaroid* balancing test. *See* 2003 WL 22451731, at *12-13. Such confusion arises when a consumer who searches for the plaintiff's website with the aid of a search engine is directed instead to the defendant's site because of a similarity in the parties' website addresses. *See BigStar Entm't, Inc. v. Next Big Star, Inc.*, 105 F.Supp.2d 185, 207 (S.D.N.Y.2000). Because consumers diverted on the Internet can more readily get back on track than those in actual space, thus minimizing the harm to the owner of the

(Cont'd)

undertaken our own, de novo review of the balancing of the various factors, we find nothing to quarrel with in the District Court's analysis of the Lanham Act infringement claim and ultimate conclusion that that claim cannot survive summary judgment. In sum, Plaintiff "has not at this point demonstrated a likelihood of confusion." *Brennan's,* 360 F.3d at 130. Accordingly, we affirm that portion of the District Court's judgment dismissing the infringement claim.

We have considered the parties' remaining arguments and find them to be without merit.

CONCLUSION

For the foregoing reasons, we vacate those portions of the judgment of the District Court dismissing Plaintiff's FTDA and state-law dilution claims; remand for further proceedings consistent with this opinion; and affirm the judgment in all other respects.

(Cont'd)
searched-for site from consumers becoming trapped in a competing site, Internet initial interest confusion requires a showing of intentional deception. *See id.; see also Bihari v. Gross,* 119 F.Supp.2d 309, 319 (S.D.N.Y.2000). Here, the District Court found that Plaintiff had failed to raise a triable issue of fact with regard to either a likelihood of confusion or intentional deception, and, accordingly, the court concluded that this factor, too, weighs in Defendants' favor. We find no error in the court's determination on this issue, which, in any event, Plaintiff does not directly challenge on appeal.

APPENDIX B — OPINION AND ORDER OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK DATED OCTOBER 24, 2003

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

No. 02 Civ. 9377 (SAS)

SAVIN CORPORATION,

Plaintiff,

-against-

THE SAVIN GROUP, SAVIN ENGINEERS, P.C., SAVIN CONSULTANTS, INC., d/b/a SAVIN ENGINEERS, P.C., and JMOA ENGINEERING, P.C.,

Defendants.

OPINION AND ORDER

SHIRA A. SCHEINDLIN, U.S.D.J.:

Savin Corporation ("Savin") brings this action against The Savin Group, Savin Engineers, P.C., Savin Consultants, Inc. d/b/a Savin Engineers, P.C., and JMOA Engineering, P.C. ("Savin Engineers") alleging: (1) trademark infringement under the Lanham Act, 15 U.S.C. § 1114; (2) false designation of origin under the Lanham Act, 15 U.S.C. § 1125(a)(1)(A); (3) dilution under the Federal Trademark Dilution Act

("FTDA"), 15 U.S.C. § 1125(c); (4) violation of the Anti-Cybersquatting Consumer Protection Act ("ACPA"), 15 U.S.C. § 1125(d); (5) dilution in violation of New York General Business Law ("N.Y.Gen.Bus.L.") § 360-1; (6) violation of the New York Unfair Businesses Act, N.Y. Gen. Bus. L. § 349; (7) violation of the New York False Advertising Act, N.Y. Gen. Bus. L. § 350; and (8) unfair competition. Plaintiff now moves for partial summary judgment on its claims for trademark infringement and false designation of origin under the Lanham Act, violations of N.Y. Gen. Bus. L. §§ 349, 350, and common law unfair competition.

Defendants cross-move for summary judgment, contending that plaintiff's claims all must fail because: (1) plaintiff cannot prove likelihood of confusion; (2) plaintiff's mark is neither famous nor distinctive, and plaintiff cannot prove actual dilution; (3) plaintiff cannot prove that defendants had a bad-faith intent to profit from using the name "Savin;" and (4) the standards under New York law for finding infringement are analogous to those of the Lanham Act.

Jurisdiction is based on the Lanham Act, 15 U.S.C. § 1051 et seq., 28 U.S.C. §§ 1331 (federal question), 1332 (diversity of citizenship), 1338 (jurisdiction to adjudicate cases involving trademark infringement and accompanying claims of unfair competition), and 1367(a) (supplemental jurisdiction). For the reasons stated below, plaintiff's motion is denied and defendants' motion is granted in its entirety.

Appendix B

I. BACKGROUND

Savin is a corporation organized under the laws of Delaware, with its principal place of business in Stamford, Connecticut. *See* 8/21/03 Declaration of Peter Heinsohn, Director of Business Development of Savin ("Heinsohn Decl.") ¶ 2. Savin was founded in 1959 and is engaged in the business of marketing, selling, and distributing state-of-the-art business equipment for commercial, business, and home office use. *See id.* ¶ 3. Savin's products include color and digital imaging technology for photocopying, printing, facsimile, and other multifunctional digital systems and personal computer compatible machines. *See* Plaintiff's Local Civil Rule 56.1 Statement of Undisputed Facts ("Pl.56.1") ¶ 15. Through its Network Services Division, Savin also offers consulting and support services related to information technology and office management. *See* Form Letter Introducing Savin Network Servs. Div., Ex. 1 to Heinsohn Decl. ("Network Servs. Ltr."). Savin's products are sold through seventeen company-owned branches consisting of over sixty sales and service offices and over two hundred and fifty trained dealers throughout the United States. *See* Pl. 56.1 ¶ 6. Plaintiff realizes annual revenues of over $675 million from sales of its products and services in the United States. *See id.* ¶ 13.

Savin and its dealer network employ a wide array of consultants, pre-sale engineers, post-sale engineers, and certified technicians. *See* Letter Network Servs; Pl. 56.1 ¶ 17. Many of Savin's customers communicate with the corporation through its pre- and post-sale engineers.

See Pl. 56.1 ¶ 18. Savin's largest class of customers is from the government, education, and military sectors. *See id.* ¶ 29.

Max Lowe, Savin's founder, named the corporation after his brother-in-law, Robert Savin. *See* 6/3/03 Deposition of Mark Pollack, Vice President of Marketing of Savin ("Pollack Dep."), Ex. F to 8/25/03 Declaration of Alfred D'Isernia, counsel for defendants ("D'Isernia Decl."), at 4, 79. Since 1959, plaintiff has used the trade name "Savin" in various forms in connection with various products and services. *See* Pl. 56.1 ¶ 1. Savin owns three incontestable marks: SAVIN for (i) developing liquid for office copiers and photocopy machines and copy paper for photocopy machines; (ii) photocopying machines and parts thereof; and (iii) maintenance and repair services for photocopiers and word processors. *See id.* ¶¶ 2, 3, 4. Plaintiff also owns the mark SAVIN for facsimile machines. *See id.* ¶ 5.

Considerable sums of money have been spent in advertising Savin's products and services over the years, including over $20 million during 2002. *See id.* ¶ 7. Plaintiff's products and services are regularly featured in print advertisements, trade magazines, and tradeshow promotions worldwide. *See id.* ¶ 10. Its advertisements have appeared in magazines such as Newsweek, Time, and Business Week. *See id.* ¶ 11. Plaintiff maintains an active website on the Internet located at www.savin.com through which it markets and promotes its products and services. *See id.* ¶ 8.

Defendants Savin Engineers, P.C. and JMOA Engineering are New York professional engineering

corporations with offices in Pleasantville, Syracuse, and Hauppauge, New York. *See* Defendants' Local Civil Rule 56.1 Statement of Undisputed Facts ("Defs.56.1") n. 1; 5/1/03 Deposition of Rengachari Srinivasaragahavan, founder and sole shareholder of Savin Engineers ("Nivas Dep. 1"), Ex. 2 to 9/8/03 Opposition Declaration of David A. Einhorn, counsel for plaintiff ("Einhorn Opp'n Decl."), at 44, 99. These two corporations comprise The Savin Group, also a named defendant in this litigation. *See* Defs. 56.1 n. 1. The defendant Savin Consultants, Inc. is a New Jersey corporation that was incorporated in 1987 and ceased to be actively engaged in business after Savin Engineers, P.C. was incorporated in 1988. *See id.* n. 1, ¶ 1. Dr. Rengachari Srinivasaragahavan is the sole shareholder of each of the defendant corporations. *See* 5/1/03 Deposition of Rengachari Srinivasaragahavan, founder and sole shareholder of Savin Engineers ("Nivas Dep. 2"), Ex. B to D'Isernia Decl., at 23.

Defendants provide professional engineering consulting services to the public. *See* Defs. 56.1 ¶ 10(b). In particular, they provide civil engineering consulting services to entities concerned with environmental waste management. *See id.* Defendants also offer professional engineering services in checking the "validity" of buildings and providing building maintenance plans. *See* Defendants' Response to Pl. 56.1 ("Defs. 56.1 Resp.") ¶ 32.

Dr. Rengachari Srinivasaragahavan, whose nickname since college has been "Nivas," chose the name "Savin" by spelling "Nivas" backwards. *See* Defs. 56.1 ¶ 2; Nivas Dep. 2, at 65. Since 1987, defendants have continually used the name "Savin" in commerce. *See id.* ¶ 5. Defendants did not

perform a search or investigation prior to adopting and launching their trade names. *See id.* ¶ 38. Defendants became aware of plaintiff's products and services about ten years ago. *See* Pl. 56.1 ¶ 37.

Defendants have registered the domain names www.thesavingroup.com and www.savinengineers.com. *See* Defs. 56.1 ¶ 6. These websites, which became accessible over the Internet after June 2001, provide information about the defendants' engineering services. *See id.* ¶¶ 7, 23. Defendants did not perform a search or investigation prior to adopting and launching their websites utilizing the term "Savin." *See id.* ¶ 38. Defendants were aware, however, of plaintiff's www.savin.com domain prior to registering their domains. *See id.* ¶ 39. Other than their websites, defendants have not advertised their services in any general interest media. *See id.* ¶ 24.

In July 2002, plaintiff discovered defendants' domain name registrations. *See* 8/25/03 Plaintiff's Memorandum of Law in Support of Summary Judgment ("Pl.Mem.") at 6. Plaintiff proceeded to send cease and desist letters to defendants on July 12, 2002 and again on August 29, 2002. *See* Plaintiff's Cease and Desist Letters, Ex. 5 to 8/25/03 Declaration of David Einhorn, counsel for plaintiff ("Einhorn Decl."). Defendants failed to take any action in response to plaintiff's cease and desist letters.

In May 2003, someone who had previously "sold an exhibit" to defendants approached one of plaintiff's executives at a Chamber of Commerce meeting in Stamford, Connecticut and asked if she was associated with Savin

Engineers. *See* 6/5/03 Deposition of Louise Stix, Vice-President of Savin ("Stix Dep."), Ex. 14 to Einhorn Decl., at 35-36. The executive was wearing a name tag that displayed the name "Savin."

II. LEGAL STANDARD FOR SUMMARY JUDGMENT

Summary judgment is permissible "if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law." Fed.R.Civ.P. 56(c). "An issue of fact is genuine 'if the evidence is such that a jury could return a verdict for the nonmoving party.'" *Gayle v. Gonyea,* 313 F.3d 677, 682 (2d Cir.2002) (quoting *Anderson v. Liberty Lobby,* 477 U.S. 242, 248 (1986)). A fact is material when "it 'might affect the outcome of the suit under the governing law.'" *Id.* (quoting *Anderson,* 477 U.S. at 248).

The party seeking summary judgment has the burden of demonstrating that no genuine issue of material fact exists. *See Marvel Characters, Inc. v. Simon,* 310 F.3d 280, 286 (2d Cir.2002) (citing *Adickes v. S.H. Kress & Co.,* 398 U.S. 144, 157 (1970)). In turn, to defeat a motion for summary judgment, the non-moving party must raise a genuine issue of material fact. To do so, it "'must do more than simply show that there is some metaphysical doubt as to the material facts,'" *Caldarola v. Calabrese,* 298 F.3d 156, 160 (2d Cir.2002) (quoting *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.,* 475 U.S. 574, 586 (1986)), and it "'may not rely on conclusory allegations or unsubstantiated

speculation.'" *Fujitsu Ltd. v. Federal Express Corp.*, 247 F.3d 423, 428 (2d Cir.2002) (quoting *Scotto v. Almenas*, 143 F.3d 105, 114 (2d Cir.1998)). *See also Gayle*, 313 F.3d at 682. Rather, the non-moving party must produce admissible evidence that supports its pleadings. *See First Nat'l Bank of Arizona v. Cities Serv. Co.*, 391 U.S. 253, 289-90 (1968). In this regard, "[t]he 'mere existence of a scintilla of evidence' supporting the non-movant's case is also insufficient to defeat summary judgment." *Niagara Mohawk Power Corp. v. Jones Chem., Inc.*, 315 F.3d 171, 175 (2d Cir.2003) (quoting *Anderson*, 477 U.S. at 252).

In determining whether a genuine issue of material fact exists, the court must construe the evidence in the light most favorable to the non-moving party and draw all inferences in that party's favor. *See Niagara Mohawk*, 315 F.3d at 175. Accordingly, the court's task is not to "weigh the evidence and determine the truth of the matter but to determine whether there is a genuine issue for trial." *Anderson*, 477 U.S. at 249. Summary judgment is therefore inappropriate "if there is any evidence in the record that could reasonably support a jury's verdict for the non-moving party." *Marvel*, 310 F.3d at 286 (citing *Pinto v. Allstate Inc. Co.*, 221 F.3d 394, 398 (2d Cir.2000)).

III. DISCUSSION

A. Lanham Act Claims of Trademark Infringement and False Designation of Origin

The Lanham Act protects the first user of a trademark by barring a later user from employing a similar mark that can confuse purchasers and besmirch the reputation of the first user. *See Streetwise Maps, Inc. v. Vandam, Inc.*, 159 F.3d 739, 742 (2d Cir.1998). In order to prevail on the Lanham Act claims of trademark infringement and false designation of origin, plaintiff must show (1) that it has a valid mark that is entitled to protection and (2) that defendants' actions are likely to cause confusion between plaintiff's and defendants' services. *See Virgin Enters., Ltd. v. Nawab*, 335 F.3d 141, 146 (2d Cir.2003) (citing *Gruner + Jahr USA Publ'g v. Meredith Corp.*, 991 F.2d 1072, 1074 (2d Cir.1993)).

1. Validity of the Marks

The Lanham Act provides that a mark registered by its owner becomes incontestable if it has been in continuous use for five consecutive years subsequent to its registration and it is still in use. *See* 15 U.S.C. § 1065; *Gruner + Jahr*, 991 F.2d at 1076. If a mark becomes incontestable, its registration shall be "conclusive evidence of the registrant's exclusive right to use the registered mark," subject to a limited number of defenses. 15 U.S.C. § 1115(b); *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 196 (1985).

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Defendants admit that three of plaintiff's marks are incontestable. Defs. 56.1 Resp. ¶¶ 2, 3, 4. Further, defendants have not raised any defenses to the incontestable status of plaintiff's marks. Because plaintiff's marks are valid and entitled to protection, I will only address the second prong of the trademark infringement test.

2. Likelihood of Confusion

Likelihood of confusion is a "key element" that plaintiff must prove in order to prevail in a trademark infringement suit. *Gruner + Jahr,* 991 F.2d at 1077. Plaintiff must show that "numerous ordinary prudent purchasers are likely to be misled or confused as to the source of the product in question because of the entrance in the marketplace of defendant's mark." *Id.* The possibility of confusion is insufficient to meet this standard; rather, consumer confusion must be probable. *See Estee Lauder Inc. v. The Gap, Inc.,* 108 F.3d 1503, 1510 (2d Cir.1997) (quoting 3 J. McCarthy, *McCarthy on Trademarks and Unfair Competition* § 23:2, at 23-10 to -11 (1996)).

The Second Circuit routinely weighs eight non-exclusive factors, also known as the *Polaroid* factors, to determine likelihood of confusion. *Virgin Enters.,* 335 F.3d at 147. These factors are: (1) the strength of the plaintiff's mark; (2) the similarity of the defendant's mark to plaintiff's; (3) the proximity of the products sold under defendant's mark to plaintiff's products; (4) where the products are different, the likelihood that plaintiff will "bridge the gap" by selling products being sold by defendant; (5) the existence of actual confusion among consumers; (6) whether defendant acted

in bad faith in adopting the mark; (7) the quality of the defendant's products; and (8) the sophistication of the consumers. *See Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir.1961).

In determining an infringement suit, the court must consider all eight factors, bearing in mind that no single factor is dominant. *See Thompson Medical Co., Inc. v. Pfizer Inc.*, 753 F.2d 208, 214 (2d Cir.1985). The factors are designed to help the court weigh the significant elements in a likelihood of confusion analysis, and "the ultimate conclusion as to whether a likelihood of confusion exists is not to be determined in accordance with some rigid formula ." *Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033, 1038 (2d Cir.1992) (quoting *Lois Sportwear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 872 (2d Cir.1986)) (citations and quotations omitted).

a. Strength of the Mark

There are two measures of a mark's strength: First, its "inherent distinctiveness" and second, "the degree to which it indicates the source or origin of the product." *Streetwise Maps*, 159 F.3d at 744; *Bristol-Myers*, 973 F.2d at 1044 (citing *McGregor-Doniger Inc. v. Drizzle Inc.*, 599 F.2d 1126, 1133 (2d Cir.1979)). A mark's inherent distinctiveness is evaluated according to its classification into four categories which, listed from least to most distinctive, are: (1) generic, (2) descriptive, (3) suggestive, and (4) arbitrary or fanciful. *See Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9-11 (2d Cir.1976); *Arrow Fastener Co., Inc. v. Stanley Works*, 59 F.3d 384, 391 (2d Cir.1995). Generic marks are

never protected under the Lanham Act, while arbitrary or fanciful marks are accorded the highest degree of protection. *See Sports Authority, Inc., v. Prime Hospitality Corp.,* 89 F.3d 955, 961 (2d Cir.1996).

The second measure of strength, the mark's source-indicating capacity, is assessed by "the extent to which prominent use of the mark in commerce has resulted in a high degree of consumer recognition." *Virgin Enters.,* 335 F.3d at 147. A mark that commands a high degree of consumer recognition is said to have acquired distinctiveness or to possess secondary meaning. *See id.* at 148; *Sports Authority,* 89 F.3d at 961.

Marks that have achieved incontestable status are deemed to have acquired distinctiveness as a matter of law and are presumed strong for the purposes of the *Polaroid* analysis on a summary judgment motion. *See Times Mirror Magazines, Inc. v. Field & Stream Licenses Co.,* 294 F.3d 383, 391 (2d Cir.2002); *Sports Authority,* 89 F.3d at 961. This presumption, however, "applies only when the trademark is used on the products specified in the registration." *Paco Sport, Ltd. v. Paco Rabanne Parfums,* 86 F.Supp.2d 305, 312 (S.D.N.Y.2000) (citing 15 U.S.C. §§ 1115(a), (b); *Mushroom Makers, Inc. v. R.G. Barry Corp.,* 850 F.2d 44, 48 (2d Cir.1978); *Avon Shoe Co. v. David Crystal, Inc.,* 279 F.2d 607, 613 n.7 (2d Cir.1960)).

Three of plaintiff's marks are incontestable and hence are presumptively strong as applied to the goods and services listed on the registrations, namely: Liquid and paper for photocopiers; photocopiers and parts thereof; and

maintenance and repair services for photocopiers and word processors. *See* Pl. 56.1 ¶¶ 2, 3, 4. Plaintiff is also able to show that its marks possess secondary meaning in the market for high quality business machinery and related services. Plaintiff has submitted evidence that it sells it products through seventeen branches and over two hundred and fifty trained dealers throughout the United States; spent over $20 million in advertising in 2002; and realized annual revenues of over $675 million.[1] *See* Pl. 56.1 ¶¶ 6, 7, 13. Such evidence is sufficient to establish that plaintiff's marks possess secondary meaning in plaintiff's market. *Cf. TCPIP Holding Co. v. Haar Communications, Inc.*, 244 F.3d 88, 96 (2d Cir.2001) (expressing confidence that plaintiff could show secondary meaning on evidence that it operated two hundred and thirty retail stores in twenty-seven states; sold $280 million worth of goods in 1998; and expended tens of millions of dollars in advertising in the last decade).

Plaintiff, however, does not seek to enjoin defendants' use of the name "Savin" as applied to photocopiers and related parts and services, but rather as applied to defendants' business of professional engineering. Therefore, the relevant inquiry is whether plaintiff can show that its marks are strong in the market for professional engineering. The presumption of strength accorded to plaintiff's incontestable marks does not extend so far. *Cf. Paco Sport,* 86 F.Supp.2d at 312 (holding that plaintiff's mark was not presumptively

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1. Defendants dispute plaintiff's statement about its advertising expenditure as a conclusory statement without factual support. *See* Defs. 56.1 Resp. ¶ 7. Because it is a sworn statement by plaintiff's Director of Business Development, however, plaintiff may rely on it to support its showing of secondary meaning.

distinctive for clothing when registration was for fragrances and cosmetics). Similarly, plaintiff has submitted no evidence that its marks possess secondary meaning in the market for professional engineering. Therefore, this factor weighs in defendants' favor.

b. Similarity of the Marks

In applying this factor, the court examines whether the "overall impression" created by the marks in relation to the "context in which they are found" is likely to confuse potential customers. *Gruner + Jahr,* 991 F.2d at 1079. Differences in typeface and color are minor when marks use the same name, because consumers encounter the marks in ways that do not transmit these features, such as over the radio or by word-of-mouth. *See Virgin Enters.,* 335 F.3d at 149.

Here, plaintiff and defendants both use the name "Savin," and their logos display similar block letter fonts, with one arm of the letter "V" slanted at a greater angle than the other. *See* Parties' Logos, Ex. 9 to Einhorn Decl. The only apparent difference in the marks is that defendants' logo incorporates four squares, one slightly tilted, to the left of the name. *See id.* Given that both marks feature the same name, such a difference is inconsequential. *See Virgin Enters.,* 335 F.3d at 149 (concluding that "Virgin" and "Virgin Wireless" are "sufficiently similar . . . to increase the likelihood of confusion" because both marks use the same name). This factor weighs in favor of plaintiff.

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c. Proximity of the Products

Under this factor, the court focuses on "whether and to what extent the two products compete with each other" and "the nature of the products themselves and the structure of the relevant market." *Morningside Group Ltd. v. Morningside Capital Group, L.L.C.*, 182 F.3d 133, 140 (2d Cir.1999) (quoting *Cadbury Beverages, Inc. v. Cott Corp.*, 73 F.3d 474, 480 (2d Cir.1996)). The relevant inquiry is whether customers are likely to be confused about the source of the products, rather than about the products themselves. *See Arrow Fastener*, 59 F.3d at 396. A showing of direct competition is not required. *See id.* As a general rule, however, customers are more likely to be confused as to the source of goods when the secondary user's goods are similar to the prior user's and the two users operate in similar areas of commerce. *See Virgin Enters.*, 335 F.3d at 150.

Plaintiff asserts that there is a substantial overlap between the services offered by the two parties and the areas of commerce in which they operate. Specifically, plaintiff points out that both parties serve customers primarily in the government, education, and military sectors and both offer a wide array of consulting and engineering services including facilities management services. *See* Pl. Mem. at 13-15.

Plaintiff overstates the similarities. Plaintiff employs certified NetWare engineers whose expertise lies in information technology. *See* Plaintiff Employee Resumes, Ex. 5 to 9/15/03 Reply Declaration of James M. Andriola, counsel for plaintiff ("Andriola Decl."). In contrast, defendants employ professional engineers licensed by the

State of New York to perform engineering services in connection with ensuring the soundness and safety of construction and waste management projects. *See* N.Y. Educ. Law §§ 7201, 7206 (McKinney 2001) (defining practice of professional engineering and listing requirements for license as professional engineer); Defs. Mem. at 1. Plaintiff uses the term "facilities management" to refer to back office operations such as photocopying, mail room management, and document management. *See* 5/30/03 Deposition of Thomas Salierno, President and Chief Operating Officer of Savin ("Salierno Dep. 1"), Ex. C to 9/8/03 Opposition Declaration of David A. Beke, counsel for defendants ("Beke Opp'n Decl."), at 4, 110-12. Defendants, however, use the term to mean a professional engineering service of checking the "validity" of a building and providing building maintenance plans. *See* Defs. 56.1 Resp. ¶ 32.

Plaintiff cites thirty-two cases in which courts found likelihood of confusion when the competitive distance between the goods and services of the parties appeared at least as great as, if not greater than, that between the parties in this case. *See* 9/8/03 Plaintiff's Memorandum of Law in Opposition to Defendants' Motion for Summary Judgment ("Pl. Opp'n Mem.") at 9-12. Although only a handful of those cases have precedential value, I have nonetheless considered all of them and conclude that the instant case is distinguishable because one or more of the following circumstances that prompted the findings of confusion in those cases are absent in this case: *First,* the goods were sold in the same channels of trade, and were often used together as complementary products, such as wine and cheese, or beer and deli products. *See, e.g., Frank Brunckhorst Co. v.*

G. Heileman Brewing Co., 875 F.Supp. 966 (E.D.N.Y.1994); *E. & J. Gallo Winery v. Gallo Cattle Co.*, 12 U.S.P.Q.2d 1657 (E.D.Cal.1989); *In re Opus One Inc.*, 60 U.S.P.Q.2d 1812 (T.T.A.B.2001). *Second,* the goods were closely related in industry practice, such as designer fashions and fragrance. *See, e.g., Scarves by Vera, Inc. v. Todo Imports Ltd.*, 544 F.2d 1167 (2d Cir.1976); *Tiffany & Co. v. Classic Motor Carriages Inc.*, 10 U.S.P.Q.2d 1835 (T.T.A.B.1989). *Third,* the goods were impulse items sold in the same channels of trade to the same consumers, such as soft drinks and cigarettes. *See, e.g., Turner Entm't Co. v. Nelson,* 38 U.S.P.Q.2d 1942 (T.T.A.B.1996); *Helene Curtis Indus. Inc. v. Suave Shoe Corp.*, 13 U.S.P.Q.2d 1618 (T.T.A.B.1989); *The Coca-Cola Co. v. Consol. Cigar Corp.*, 177 U.S.P.Q. 607 (T.T.A.B.1973). *Fourth,* the senior user had already expanded into the junior user's market. *See, e.g., Jaguar Cars Ltd. v. Skandrani,* 18 U.S.P.Q.2d 1626 (S.D.Fla.1991); *Wells Fargo & Co. v. Wells Fargo Constr. Co .*, 619 F.Supp. 710 (D.Ariz.1985); *Allstate Ins. Co. v. DeLibro,* 6 U.S.P.Q.2d 1220 (T.T.A.B.1988). *Fifth,* plaintiff promoted the type of goods defendant sold, or both parties were associated through sponsorship of the same events. *See, e.g., Vogue Co. v. Thompson-Hudson Co.*, 300 F. 509 (6th Cir.1924); *K2 Corp. v. Philip Morris Inc.*, 192 U.S.P.Q. 174 (T.T.A.B.1976). *Sixth,* defendant adopted plaintiff's name with the intent of benefiting from plaintiff's reputation in the marketplace. *See, e.g., HMH Publ'g Co. v. Brincat,* 504 F.2d 713 (9th Cir.1974); *Hallmark Cards, Inc. v. Hallmark Dodge, Inc.*, 634 F.Supp. 990 (W.D.Mo.1986); *Tonka Corp. v. Tonka Phone Inc.*, 229 U.S.P.Q. 747 (D.Minn.1985).

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This circuit has found no confusion when the goods at issue were in much closer proximity than the goods described in several of the cases cited by plaintiff. In *Arrow Fastener,* this circuit held that customers were not likely to be confused when both parties sold staplers in the same stores, but one party sold a pneumatic stapler and the other a lightweight small stapler. *See* 59 F.3d at 396 (explaining that there was a significant difference in price between the two staplers, and that they served different purposes and types of customers). In the instant case, the difference in price between plaintiff's back office facilities management services and defendants' professional engineering services is at least as great as, if not greater than, that between the two types of staplers in *Arrow Fastener.* Similarly, the expertise of plaintiff's engineers in information technology and that of defendants' engineers in construction and waste management projects serve very different needs within the sectors from which both parties draw their customers.

In *Arrow Fastener,* the court cautioned that competitive proximity should be assessed in relation to the first two *Polaroid* factors. *See id.* at 396. The *Arrow Fastener* court had found that the prior user's mark was weak and the marks were not confusingly similar, thus the prior user was not entitled to trademark protection over a broad range of related goods, and consumers were unlikely to be confused as to source. *See id.*

Here, plaintiff's marks are weak as applied to professional engineering services, and are not entitled to protection in that field. Even though plaintiff's marks may be strong in the market for sophisticated business equipment

and services, professional engineering services do not reasonably fall within the broadly defined market of potentially related services. Although the marks are very similar, consumers are unlikely to be confused as to source because the competitive distance between the parties' services is greater than in *Arrow Fastener*. This conclusion is supported by New York's stringent requirements restricting defendants' field of operations to state licensed professional engineers. *See infra* Part III.A.2.d. Therefore, this factor weighs in favor of defendants.

d. Bridging the Gap

This factor asks whether the plaintiff is likely to bridge the competitive gap between the two parties' operations by entering defendant's market. *See Morningside,* 182 F.3d at 141. This inquiry "recognizes 'the senior user's interest in preserving avenues of expansion and entering into related fields.'" *Id.* (quoting *Hormel Foods Corp. v. Jim Henson Productions, Inc.*, 73 F.3d 497, 504 (2d Cir.1996)).

Defendants emphasize that New York's professional engineering licensing laws stringently limit the class of persons who may enter defendants' market. *See* N.Y. Educ. Law § 7202, 7206 (McKinney 2001) (restricting practice of professional engineering to individuals who meet requirements for license). Plaintiff claims that it intends to expand its involvement in the area of facilities management, *see* Pl. 56.1 ¶ 19, but the only evidence plaintiff presents to support this allegation is a statement that plaintiff intends to "work[] in an office environment and expand[] [into] whatever the customer needs." 5/30/03 Deposition of Thomas

Salierno, President and Chief Operating Officer of Savin ("Salierno Dep. 2") Ex. 1 to Einhorn Decl., at 68. This statement fails to support any inference that plaintiff intends to enter defendants' market. Plaintiff further argues that New York's professional engineering laws are irrelevant because it objects to defendants' use of "Savin" in all fifty states. Even drawing all inferences in plaintiff's favor, this bare assertion fails to raise a genuine issue of material fact that any differences in the laws of other states would increase the likelihood of plaintiff entering defendants' market. This factor weighs in defendants' favor.

e. Actual Confusion

In assessing this factor, the court may consider evidence of actual consumer confusion about the source, sponsorship, or affiliation of plaintiff's goods and services. *See Morningside,* 182 F.3d at 141; *Sports Authority,* 89 F.3d at 963. Such evidence must be more than de minimis. *See Nora Beverages, Inc. v. Perrier Group of America, Inc.,* 269 F.3d 114, 124 (2d Cir.2001).

Plaintiff submits as evidence of actual confusion the Chamber of Commerce incident in which someone who had previously sold an exhibit to defendants mistakenly concluded that one of plaintiff's executives was associated with defendants. *See* Pl. Mem. at 17-18. This single instance of non-purchaser confusion is insufficient to support a finding that a reasonable trier of fact could find actual confusion. *See id.* (affirming that "two anecdotes of confusion . . . constituted de minimis evidence insufficient to raise triable issues"); *Trustees of Columbia University v. Columbia/HCA*

Healthcare Corp., 964 F.Supp. 733, 746 (S.D.N.Y.1997) (holding that momentary confusion of a small number of non-purchasers constituted de minimis showing of actual confusion). This factor weighs in favor of defendants.

f. Good Faith

This factor focuses on "whether the defendant adopted its mark with the intention of capitalizing on plaintiff's reputation and goodwill" or of benefiting from consumer confusion between its product and that of the first user. *Arrow Fastener,* 59 F.3d at 397 (quoting *Lang v. Ret. Living Publ'g Co.,* 949 F.2d 576, 583 (2d Cir.1991)). This circuit has indicated that the failure to conduct a proper trademark search may be significant evidence of bad faith. *See Int'l Star Class Yacht Racing Ass'n v. Tommy Hilfiger, U.S.A., Inc.*, 80 F.3d 749, 753-54 (2d Cir.1996). A showing of such failure does not, however, constitute bad faith as a matter of law on a summary judgment motion. *See Jeri-Jo Knitwear, Inc. v. Club Italia, Inc.*, No. 98 Civ. 4270, 1999 WL 500146, at *4 (S.D.N.Y. July 15, 1999).

Plaintiff points to *Int'l Star Class Yacht* in asserting that defendants acted in bad faith by adopting their mark without having first performed a trademark search. *See* Pl. Mem. at 20. The facts in that case, however, are quite different from those in the instant litigation. The defendant in *Int'l Star Class Yacht* had copied "authentic details ... from the sport of competitive sailing." 80 F.3d at 753. This court reasoned that defendant's awareness that it was copying put it on notice that it might be infringing another's mark. *Id.* Under those circumstances, the court held that defendant's failure to

follow its counsel's advice to conduct a thorough trademark search before adopting its mark must "factor into an assessment of [its] bad faith." *Id.* at 754. In the instant case, defendants had no reason to believe that they might be infringing another's marks because they were not copying the mark from another entity. In fact, defendants' founder was not even aware of plaintiff's existence at the time he adopted his mark, and arrived at the name "Savin" independently by reversing the spelling of his nickname "Nivas."

Even if defendants had conducted a trademark search, they would have discovered only that plaintiff had registered "Savin" for photocopiers and related goods and services, and would have had no reason to believe that their use of the same name for professional engineering services would infringe on plaintiff's marks. *See Arrow Fastener,* 59 F.3d at 397 (holding that "[p]rior knowledge of a senior user's trademark . . . may be consistent with good faith" particularly when "the presumption of an exclusive right to use a registered mark extends only to the goods and services noted in a registration certification").

Plaintiff further contends that defendants acted in bad faith by continuing to use the name "Savin" after they had become aware of plaintiff's products and services ten years ago. *See* Pl. Mem. at 20. This argument is without merit. Knowledge that plaintiff used the mark "Savin" in relation to sophisticated business equipment would not have given defendants reason to believe that their use of the same name in the field of professional engineering was infringing. The fact that plaintiff did not give defendants any notice of

infringement until July of 2002 would have reinforced defendants' reasonable belief that their use of "Savin" was non-infringing.

Neither of plaintiff's arguments shows a genuine issue of material fact that defendants acted with a bad faith intent to profit from plaintiff's reputation and good will. This factor weighs in favor of defendants.

g. Quality

This factor is primarily concerned with whether the inferior quality of a junior user's goods could jeopardize the senior user's reputation. *See Arrow Fastener,* 59 F.3d at 398. However, "[p]roducts of equal quality may [also] create confusion as to source'." *Morningside,* 182 F.3d at 142. Equality of quality tends to cause consumer confusion when the products or services are closely similar. *See Arrow Fastener,* 59 F.3d at 398 (holding that the equal quality of pneumatic and hand held staplers is not likely to cause consumer confusion, whereas the equal quality of stitching on the back pockets of jeans is likely to create confusion as to source); *Morningside,* 182 F.3d at 136 (finding confusion when plaintiff and defendant both offered financial services of comparable quality to U.S. companies in relation to their acquisition of assets).

Plaintiff alleges that the equal quality of defendants' services is likely to cause customers to assume that defendants are affiliated with plaintiff. *See* 9/15/03 Plaintiff's Reply Memorandum of Law in Further Support of Plaintiff's Motion for Summary Judgment ("Pl. Reply Mem.") at 9-10.

As defendants' services are not closely similar to those provided by plaintiff, however, *see supra* Part III.A.2.c, equivalent quality between their products is unlikely to cause confusion. This factor weighs in defendants' favor.

h. Sophistication of Consumers

The expense of the products, the manner and market conditions in which the products are purchased, and whether purchasers may be subject to impulse are relevant in determining the sophistication of the buyers. *See Gruner + Jahr,* 991 F.2d at 1079; *Streetwise Maps,* 159 F.3d at 746; *Sports Authority,* 89 F.3d at 955. Generally, purchasers who are "highly trained professionals .. . know the market and are less likely than untrained consumers to be misled or confused by the similarity of different marks." *Virgin Enters.,* 335 F.3d at 151.

Both plaintiff and defendants offer highly priced services that do not usually invite impulse buying and are ordinarily purchased by experienced professionals in the course of business. The decision to invest in new business equipment or to engage professional engineers is often the result of careful deliberation by more than one individual in the purchasing organization. The likelihood that such sophisticated consumers will be confused as to the source of the services is remote. This factor weighs in favor of defendants.

Appendix B

i. Initial Interest Confusion

Plaintiff raises the issue of initial interest confusion on the Internet in relation to actual confusion and consumer sophistication. As initial interest confusion does not fall neatly under any of the *Polaroid* factors, and as the law regarding this issue is the same as applied to either of the contexts in which plaintiff has raised it, I treat it as a separate factor here.

Internet initial interest confusion arises when a consumer who searches for plaintiff's website with the aid of a search engine is directed instead to defendants' site because of a similarity in the parties' web addresses. *See Bigstar Entm't, Inc. v. Next Big Star, Inc.*, 105 F.Supp.2d 185, 207 (S.D.N.Y.2000). The first court to address initial interest confusion on the Internet found that the defendant had infringed the plaintiff's trademark by using marks confusingly similar to plaintiff's in its metatags. *See Brookfield Communications, Inc. v. West Coast Entm't Corp.*, 174 F.3d 1036, 1062 (9th Cir.1999). Metatags are a "buried code" that companies create in the process of registering their domain names to characterize the contents of and directions to their websites. *See Bigstar,* 105 F.Supp.2d at 208. When someone types in a keyword during an Internet search, domain name search engines use the metatags to display a list of websites that correspond to the keyword. *See id.* Through a strategic use of metatags, a company is able to divert Internet traffic to its site. *See id* . Harm occurs when potential customers assume that a competitor's website is associated with the website for which they were originally looking and cease to search for the original site. *See Bihari v. Gross,* 119 F.Supp.2d 309, 319 (S.D.N.Y.2000).

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As this court explained in *Bihari,* consumers diverted on the Internet can more readily get back on track than those in actual space, and thus the harm from consumers becoming trapped in a competing site is easily avoided. *See id.* at 320 n. 15 (explaining that resuming one's search for the original website is comparatively easy, involving only one click of the mouse and a few seconds' delay). As a result, the few decisions in this circuit that have addressed Internet initial interest confusion require a showing of intentional deception on the part of the defendant before imposing liability. *Compare Bigstar,* 105 F.Supp.2d at 211 *and Bihari,* 119 F.Supp.2d at 321 (declining to find initial interest confusion when there was no evidence that defendants used plaintiffs' marks in their metatags in bad faith) *with N.Y. State Soc'y of Certified Pub. Accountants v. Eric Louis Assocs., Inc.,* 79 F.Supp.2d 331, 341 (S.D.N.Y.2000) *and OBH, Inc. v. Spotlight Magazine, Inc.,* 86 F.Supp.2d 176, 190 n.9 (W.D.N.Y.2000) (finding initial interest confusion when defendants intentionally copied and used plaintiffs' marks in metatags and domain names).

Plaintiff offers the following evidence: (1) because defendants' website received 48,949 hits in March 2003 there is circumstantial evidence of actual confusion as this is a "disproportionately high" number for a small engineering firm, *see* Pl. Reply Mem. at 18; and (2) Internet website advertising attracts unsophisticated as well as sophisticated consumers, demonstrating that many of the consumers in this case are unsophisticated, *see* Pl. Mem. at 20. Plaintiff also claims that defendants acted in bad faith by registering their domain names even though they were aware of plaintiff's savin.com domain. *See id.* at 20.

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The relevant enquiry in likelihood of confusion analysis is whether "numerous ordinary prudent purchasers" are likely to be misled. *Gruner + Jahr,* 991 F.2d at 1077. Neither of plaintiff's contentions supports this proposition. Plaintiff's first argument is based on a lone statistic of a single month's hits. This figure, standing alone, is too speculative to raise a material issue of fact as to consumer confusion. Plaintiff's second claim is equally immaterial. Plaintiff has offered no evidence that visitors to its website form a significant part of its ordinary, prudent customer base. Finally, the fact that defendants were aware of plaintiff's domain name before they registered their own domain names is insufficient to raise a genuine issue of fact that defendants acted in bad faith. Defendants' domain names reflect the marks defendants had been using for about nine years without any reason to believe that their use infringed plaintiff's mark. *See supra* Part III.A.2.f. This factor weighs in defendants' favor.

j. Balancing the Factors

In sum, one of the *Polaroid* factors weighs in plaintiff's favor and the other seven weigh in favor of defendants. The Internet initial interest confusion factor also weighs in defendants' favor. In light of the overwhelming number of factors favoring defendants, defendants are entitled to summary judgment. Accordingly, defendants' motion to dismiss plaintiff's trademark infringement and false designation of origin claims is granted.

Appendix B

B. Lanham Act Dilution Claim

The FTDA provides that "[t]he owner of a famous mark shall be entitled ... to an injunction against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark." 15 U.S.C. § 1125(c)(1). This circuit reads the Act's requirement of distinctiveness to mean that the mark must possess a "significant degree of [inherent] distinctiveness." *TCPIP Holding Co.*, 244 F.3d at 95, 97. To qualify as famous, a mark must also demonstrate a high degree of acquired distinctiveness. *See id.* at 97.

Next, a plaintiff suing under the FTDA must show "actual dilution, rather than a likelihood of dilution." *Moseley v. Secret Catalogue, Inc.*, 123 S.Ct. 1115, 1124 (2003). The FTDA defines dilution as "the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of (1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake, or deception." 15 U.S.C. § 1127. Actual dilution may be shown through circumstantial evidence, particularly when the marks in question are identical. *See Moseley,* 123 S.Ct. at 1125.

Plaintiff has created a material issue of fact as to the distinctiveness and fame of its marks. Plaintiff correctly claims that its incontestable marks are presumed to possess the requisite degree of inherent distinctiveness. *See Sporty's Farm L.L.C. v. Sportsman's Market, Inc.*, 202 F.3d 489, 497 (2d Cir.2000). Plaintiff has also produced enough evidence

to raise a genuine issue of material fact with regard to the fame of its marks. It spent over $20 million on advertising in 2002 and has achieved annual revenues of $675 million. *See* Pl. 56.1 ¶¶ 7, 13. Further, plaintiff's products and services are regularly featured in print advertisements, trade magazines and tradeshow promotions. *See id.* ¶ 10. Plaintiff's advertisements have appeared in well known magazines such as Newsweek, Time, and Business Week.[2] *See id.* ¶ 11. Finally, plaintiff has produced evidence that an adversary in a previous federal litigation and an arbitrator with the National Arbitration Forum have acknowledged that "Savin" is a famous mark. *See Savin Corp. v. Rayne,* 00-CV-11728-PBS, 2001 U.S. Dist. LEXIS 20581, at *11 (D.Mass. Mar. 26, 2001); *Savin Corp. v. Copier Dealers, Inc.,* (Case No. FA 0304000155903, National Arbitration Forum, July 9, 2003). While not sufficient to conclusively establish fame, plaintiff's evidence certainly represents more than a mere scintilla of evidence. *Cf. Nabisco, Inc. v. PF Brands, Inc.,* 50 F.Supp.2d 188, 202 (S.D.N.Y.1999), *aff'd,* 191 F.3d 208 (2d Cir.1999) (finding top ranking sales dollars and advertising expenses of more than $120 million in a three year period to be significant indicators of fame).

Plaintiff fails, however, to rebut defendants' allegation that plaintiff is unable to show actual dilution. *See* Defs. Mem. at 20-21. Plaintiff maintains that under *Moseley,* there is no need to prove actual dilution when the marks at issue

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2. Defendants dispute this statement as conclusory and unsupported by fact. *See* Defs. 56.1 Resp. ¶ 11. Because this is a sworn statement by plaintiff's Director of Business Development, however, plaintiff may rely on it to show fame.

are identical. Plaintiff bases this statement on a single sentence in the *Moseley* opinion which is clearly dicta. In *Moseley,* the Court responded to an argument that it would be difficult for plaintiffs to provide evidence of an actual diminution in the capacity of a famous mark to identify goods and services. The Court wrote:

> It may be, however, that direct evidence of dilution such as consumer surveys will not be necessary if actual dilution can reliably be proven through circumstantial evidence—the obvious case is one where the junior and senior marks are identical.

Moseley, 123 S.Ct. at 1125.

This sentence is not easy to interpret, as is apparent from the differing interpretations of lower courts. Is the Court saying, as plaintiff maintains, that when the junior and senior marks are identical, that in itself is sufficient circumstantial evidence to prove actual dilution? *See Nike Inc. v. Variety Wholesalers,* 274 F.Supp.2d 1352, 1372 (S.D.Ga.2003) (basing finding of dilution on identity of the marks). Or, is the Court saying that circumstantial evidence of actual dilution, as opposed to direct evidence, is sufficient when the marks are identical? *See Pinehurst, Inc. v. Wick,* 256 F.Supp.2d 424, 431-32 (M.D.N.C.2003) (holding that defendant's use of plaintiff's marks in its domain names constituted circumstantial evidence sufficient to support finding of dilution because defendant's use hindered plaintiff from engaging in electronic commerce under those domain names, hence "reduc[ing] the selling power of plaintiff's

marks").[3] The latter interpretation seems more likely because, in the sentence following its statement that actual dilution may be proven through circumstantial evidence, the *Moseley* Court says:

> Whatever difficulties of proof may be entailed, they are not an acceptable reason for dispensing with proof of an essential element of a statutory violation.

123 S.Ct. at 1125. Indeed, in *Moseley,* where the marks were not identical, the Court concluded that there was no proof of actual dilution. In the instant case, plaintiff offers no circumstantial evidence of any kind tending to show actual dilution other than the fact that the marks are identical. This is not sufficient. Hence, plaintiffs have failed to raise a material issue of fact with regard to an essential prong of the dilution test.

Drawing all inferences in favor of the plaintiff, the non-moving party, there is no material issue of fact with respect to actual dilution. Accordingly, defendants' motion for summary judgment dismissing plaintiff's dilution claim under the FTDA is granted.

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3. The *Nike* court cited *Pinehurst* in support of its view that identical marks in themselves constitute sufficient circumstantial evidence to prove actual dilution. The analysis in *Pinehurst,* however, demonstrates that the court in that case read *Moseley* to mean that when marks are identical, circumstantial evidence, rather than direct evidence, may be used to prove actual dilution.

C. ACPA

ACPA prohibits cybersquatting, defined as the "bad-faith and abusive registration of distinctive marks as Internet domain names with the intent to profit from the goodwill associated with such marks." *Sporty's Farm,* 202 F.3d at 495 (quoting S.Rep. No. 106-140, at 4). The Act imposes civil liability in favor of a mark's owner on anyone who: (1) has a bad faith intent to profit from a protected mark; and (2) registers, traffics in, or uses a domain name that is identical or confusingly similar to a distinctive mark; or is identical, confusingly similar to, or dilutive of a famous mark. *See* 15 U.S.C. § 1125(d)(1)(A).

This court has already found that defendants did not act in bad faith in adopting the name "Savin" nor in registering its domain names. *See supra* Parts III.A.2.f, III.A.2.i. Further, defendants assert that they have never offered to sell, transfer, or assign their domain names to plaintiff. *See* Defs. Mem. at 23. Plaintiff has produced no evidence to the contrary. Therefore, there is no genuine issue of material fact regarding plaintiff's ACPA claim. Defendants' motion for summary judgement dismissing the ACPA claim is granted.

D. New York General Business Law Claims

1. Sections 349 and 350

Section 349 prohibits "deceptive acts and practices" and Section 350 proscribes false advertising in commerce. A successful claim under either statute must prove "consumer injury or harm to the public interest." *Securitron Magnalock*

Corp. v. Schnabolk, 65 F.3d 256, 264 (2d Cir.1995). To demonstrate such harm, a practice must be the "sort of offense to the public interest which would trigger FTC intervention under 15 U.S.C.A. § 45." *Horn's, Inc. v. Sanofi Beaute, Inc.*, 963 F.Supp. 318, 328 (S.D.N.Y.1997) (quoting R. Givens, Practice Commentaries on N.Y. Gen. Bus. Law § 349, at 567-68 (McKinney 1988)). Concerns with public health and safety would trigger such intervention. *See Securitron Magnalock Corp.*, 65 F.3d at 264 (holding that false information about security equipment given to regulatory agency responsible for public safety affected public interest); *Weight Watchers Int'l Inc. v. Stouffer Corp.*, 744 F.Supp. 1259, 1285 (S.D.N.Y.1990) (holding that false advertising in food products would pose harm to public if proved).

Plaintiff alleges that defendants' use of "Savin" in its trade and domain names has misled, confused, and deceived consumers as to the source of defendants' services, and established irreparable harm to plaintiff. *See* Pl. Mem. at 22. Harm to a business from a competitor, however, does not constitute the kind of detriment to the public interest required by the statutes. *See Fashion Boutique of Short Hills, Inc. v. Fendi USA, Inc.*, No. 91 Civ. 4544, 1992 WL 170559 at *4 (S.D.N.Y. July 2, 1992) (dismissing Section 349 claim because alleged harm to plaintiff's business outweighed any incidental harm to the public). Accordingly, as plaintiff has failed to produce evidence of harm to the public interest, defendants' motion for summary judgment on the Sections 349 and 350 claims is granted.

2. Section 360-1

The standards for dilution under Section 360-1 are "essentially the same as that under § 43(a) of the Lanham Act." *Winner Int'l LLC v. Omori Enters., Inc.*, 60 F.Supp.2d 62, 73 (E.D.N.Y.1999) (citing *Safeway Stores, Inc. v. Safeway Props., Inc.*, 307 F.2d 495, 498 n. 1 (2d Cir.1962)). As plaintiff failed to produce sufficient evidence to create a triable issue under the FTDA, it follows that the Section 360-1 claim also fails. Therefore, defendants' motion for summary judgment dismissing the Section 360-1 claim is granted.

E. New York Common Law Claims

Unfair competition under New York common law requires a showing of bad faith. *See Genesee Brewing Co. v. Stroh Brewing Co.*, 124 F.3d 137, 149 (2d Cir.1998). As discussed in Parts III.A.2.f and III.A.2.i *supra*, there is no showing that defendants acted in bad faith. Accordingly, defendants' motion for summary judgment dismissing plaintiff's New York common law claims is granted.

IV. CONCLUSION

For the reasons set forth above, plaintiff's motion for partial summary judgment is denied, and defendants' cross-motion for summary judgment is granted in its entirety. The Clerk is directed to close this motion and this case.

Appendix B

SO ORDERED:

s/ Shira A. Scheindlin
Shira A. Scheindlin
U.S.D.J.

Dated: New York, New York
October 24, 2003

APPENDIX C — ORDER OF THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT DENYING PETITION FOR REHEARING FILED FEBRUARY 28, 2005

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT
THURGOOD MARSHALL U.S. COURT HOUSE
40 FOLEY SQUARE
NEW YORK 10007

Roseann B. MacKechnie
CLERK

At a stated term of the United States Court of Appeals for the Second Circuit, held at the Thurgood Marshall United States Courthouse, Foley Square, in the City of New York, on the 28th day of February two thousand five.

Present:

Hon. Thomas J. Meskill,

Hon. Roger J. Miner,

Hon. Robert A. Katzmann,

CIRCUIT JUDGES.

Savin v. The Savin Group

A petition for panel rehearing and a petition for rehearing en banc having been filed herein by the appellees The Savin Group, et al. Upon consideration by the panel that decided the appeal, it is Ordered that said petition for rehearing is **DENIED**.

Appendix C

It is further noted that the petition for rehearing en banc has been transmitted to the judges for the court in regular active service and to any other judge that heard the appeal and that no such judge has requested that a vote be taken thereon.

For the Court,
Roseann B. MacKechnie, Clerk

By: s/ Tracy W. Young
Motion Staff Attorney